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Report of the Secretary-General**

Summary

The present report, submitted in response to General Assembly resolution 66/187, complements the report of the Secretary-General on the follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development. It reviews recent trends in the international official and private capital flows to developing countries and current efforts to strengthen the international financial architecture. The report highlights the ongoing challenges arising from the world financial and economic crisis and its aftermath, in particular in the key areas of financial regulation, multilateral surveillance, policy coordination, sovereign debt, the global financial safety net, management of capital flows and governance reform at the Bretton Woods institutions.

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** The present report was prepared in consultation with staff of the major institutional stakeholders involved in the financing for development process. Responsibility for its contents, however, rests solely with the United Nations Secretariat.

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I. International financial flows of developing countries

A. Global imbalances and reserve accumulation

1. The external imbalances of the major economies narrowed substantially during the world economic and financial crisis and, during the past year, appeared to stabilize at about half their pre-crisis levels. The current account deficit of the United States of America fell from a peak of over 6 per cent of gross domestic product (GDP) in 2006 to about 3 per cent of GDP in 2011. The counterparts to the deficit of the United States have been the external surpluses in China, Germany, Japan and some oil-exporting economies, which have narrowed. Most notably, the combination of currency appreciation and rapid growth in domestic demand led to a reduction in the current account surplus of China from about 10 per cent of GDP in 2007 to less than 3 per cent of GDP during the past year. Looking ahead, global imbalances are expected to stabilize around their existing levels over 2012.[1]

2. Despite the recent reduction in global imbalances, they remain an issue of concern to policymakers. For instance, the build-up of large external liability positions by deficit countries, matched by large external asset positions of surplus economies, can potentially lead to exchange-rate instability. Another concern relates to the process of adjustment to the imbalances by major economies, namely, the concurrent reduction of deficits and surpluses, which should not create economic disruption and endanger economic growth prospects. Rather, the requisite adjustment measures should be consistent with the promotion of growth and employment generation in both developed and developing economies.

3. The unprecedented accumulation of foreign reserves by a number of developing country central banks has been an important component of global economic imbalances. In the aftermath of the Asian financial crisis, and recognizing that even well-managed countries could be hit by contagion from elsewhere, many developing countries opted for accumulating foreign reserves, in part as protection against future crises. If countries have higher (net) levels of liquid foreign assets, they are likely to be better able to withstand panics in financial markets and sudden reversals in capital flows. A large proportion of the reserves have been invested in United States treasuries and other low-yielding sovereign papers. The amount of foreign reserves accumulated by developing countries is estimated to total more than $7 trillion in 2011.[1]

4. The build-up of reserves by developing countries, however, does come with high opportunity costs in terms of domestic investment forgone, especially when such build-up of reserves is sterilized. If those nations had not increased their reserve holdings, they could have used the money to support investment in physical or human capital. The cost of the build-up of reserves is the difference between the return on such investments and the small returns on the assets held as reserves.

5. In the longer run, renewed reserve accumulation by developing countries may give rise to widening global imbalances and would imply that one or more reserve-issuing economies would need to accrue larger current account deficits. The International Monetary Fund (IMF) has developed a new metric to assess the

[1] *World Economic Situation and Prospects 2012* (United Nations publication, Sales No. E.12.II.C.2).

adequacy of reserve levels that encompasses a broader range of drains on reserves than imports and external debt. There have also been suggestions for a new global reserve system that allows for better pooling of reserves at regional and international levels and is not based on a single national currency, or even multiple national currencies. One possibility is to employ the IMF special drawing rights (SDRs) for that purpose. The issue of broadening the SDR currency basket remains under consideration, and might eventually lead to a wider acceptance of SDRs and help strengthen their role as an international reserve asset.

6. The accumulation of reserves by developing countries has the effect of transferring financial resources from the developing to the developed world. Developing countries, as a group, are estimated to have made a net transfer of financial resources of approximately $826.6 billion to developed countries in 2011. While still below its peak level of $891.6 billion in 2008, the volume of net financial resource transfers has returned to its traditional growth pattern over the past two years after the sharp drop in 2009 during the global economic crisis. Most of the transfers from developing countries were from upper-middle-income countries, whose net outflows increased by $85 billion to $580 billion in 2011. In contrast, poorer countries continued to have a low level of net positive transfers.[1]

B. Private capital flows to developing countries

7. Following a strong revival in the aftermath of the world financial and economic crisis, net private capital flows to developing countries experienced a downturn during the latter part of 2011. In total terms, they are estimated to have fallen from about $447 billion in 2010 to about $438 billion in 2011.[2] That development was brought about by growing fears among portfolio investors about the sustainability of public finances in Europe, which gave rise to a general "flight to safety". Some stability appeared to have returned during the early months of 2012, as risk aversion among investors eased in line with improving prospects for the euro zone and the global economy at large. The prospects for private capital flows to developing countries over the coming months are mixed. On the one hand, stronger economic fundamentals in emerging economies, combined with continuing economic problems in many advanced economies, should serve to attract investors. There are signs of an economic slowdown in some of the leading emerging economies, however, which, together with renewed concerns about the global economy, could lead to a sharp increase in risk aversion in international financial markets, giving rise to further large swings in private capital flows.

8. While portfolio flows to developing countries rebounded earlier this year, there have been concerns over the possibility of a renewed slowdown. Both equity and bond flows could be affected by developments in the global economy. In addition, some developing economies may be particularly vulnerable to adverse market sentiment owing to concerns that include decelerating growth rates, high fiscal and external deficits and, in some instances, political instability. Looking ahead, a further resurgence in short-term capital flows to developing countries, driven by expansionary monetary policies in advanced economies, could also pose problems by building up new vulnerabilities and increasing the susceptibility of

[2] IMF, World economic outlook database, April 2012 edition. Available from imf.org/external/pubs/ft/weo/2012/01/weodata/index.aspx.

those economies to sudden outflows of foreign capital. The earlier surge in capital flows that took place from 2009 to 2011 is argued to have increased the amount of potential hot money in emerging markets that may depart suddenly. Moreover, the strong flows into corporate debt markets during recent years have been accompanied by a rapid expansion in private credit in some developing economies, thereby heightening their vulnerability to rapid deleveraging or a sudden reversal in capital flows.[3]

9. Overall, commercial bank lending to developing countries remained below its pre-crisis levels as leading international lenders have continued to experience financial problems. Recent figures from the Bank for International Settlements indicated a decline in cross-border claims on emerging market economies from banks located in other countries during the latter part of 2011.[4] It was only the second such decline in almost three years and may be indicative of deleveraging by commercial banks, which is likely to continue in the near future. This could serve to dampen the supply of credit to developing and transition countries, while the impact is likely to be greatest in emerging Europe and central Asia, which have the most direct exposure to distressed European banks.[5] There is nevertheless a risk that the deleveraging process could become disorderly and lead to a sharp reduction in credit by those institutions, which could affect a wider range of developing countries. Such a development may in turn trigger significant portfolio outflows from emerging economies, affecting the stability of their currencies and capital markets.

10. Foreign direct investment (FDI) remains a major component of private capital flows to developing countries and is estimated to have amounted to some $376 billion in 2011.[2] Those flows are concentrated in a few developing countries, although there have been signs of greater diversification. Moreover, there are significant regional differences. The large majority of FDI in developing countries continues to be channelled to Asia and Latin America, while flows to Africa, though higher than a decade ago, remain limited.

11. While FDI in developing countries has tended to be more stable and geared towards a longer term than other types of private capital flows, some experts argue that its changing composition may be making it more volatile.[6] The components of FDI constitute equity investment, reinvested earnings and intracompany debt. In general, equity investment tends to be the most stable component of FDI, while intracompany debt is more flexible, depending on the decisions of the parent company to assist in financing the expansion or running costs of its foreign affiliates. Where a significant portion of FDI is intracompany debt, the parent company can recall that debt on short notice. It has been argued that a recent shift in the composition of FDI, from equity to debt components, has made it easier to move capital between host and home countries. Moreover, the proportion of short-term and volatile flows in FDI has increased, and the growth in FDI flows during recent

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[3] IMF, *Global Financial Stability Report: The Quest for Lasting Stability* (Washington, D.C., IMF Publications Service, 2012).

[4] Bank for International Settlements, *Quarterly Review*, June 2012. Available from bis.org/publ/qtrpdf/r_qt1206.htm.

[5] World Bank, *Global Economic Prospects: Uncertainties and Vulnerabilities*, vol. 4 (January 2012).

[6] United Nations Conference on Trade and Development (UNCTAD), *World Investment Report 2011: Non-Equity Modes of International Production and Development* (United Nations publication, Sales No. E.11.II.D.2).

ears has partially served the purpose of short-term gains. For instance, some of the intracompany funds received from the parent company are invested for speculative purposes and may be easily liquidated.

C. Official development assistance

12. In 2011, members of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) provided $133.5 billion of net official development assistance (ODA), representing 0.31 per cent of their combined gross national income. That marks a decrease of 2.7 per cent compared to 2010 and the first annual drop in ODA since 1997, when aid fell by 6 per cent (disregarding years of exceptional debt relief). Within total net ODA, aid for core bilateral projects and programmes (excluding debt relief grants and humanitarian aid) fell by 4.5 per cent in real terms.[7] Looking ahead, prolonged recessions in several Committee donors may further squeeze aid budgets while mounting pressure on other donors.[8]

13. The largest donors in 2011 were France, Germany, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States. Denmark, Luxembourg, the Netherlands, Norway and Sweden continued to exceed the United Nations ODA target of 0.7 per cent of gross national income. In real terms, the largest increases in ODA were registered in Italy, New Zealand, Sweden and Switzerland. By contrast, ODA fell in 16 out of 23 Development Assistance Committee countries mostly as a result of fiscal constraints related to the current crisis. The largest cuts happened in Austria, Belgium, Greece, Japan and Spain. Continued commitment and political will in some countries helped partially offset this trend. Seven countries — Australia, Germany, Italy, New Zealand, the Republic of Korea, Sweden and Switzerland — increased their aid in 2011. The United Kingdom remains on track to reach 0.7 per cent of its gross national income by 2013.

14. Whereas bilateral aid to sub-Saharan Africa was $28.0 billion in 2011, representing a fall of 0.9 per cent in real terms compared to 2010, aid to the African continent increased by 0.9 per cent to $31.4 billion, as donors provided more aid to North Africa following the political upheavals in the region. The least developed countries also saw a reduction in net bilateral ODA flows of 8.9 per cent in real terms to a total of $27.7 billion in 2011. It falls further below the internationally agreed target of 0.15-0.20 per cent of donors' gross national income. The top 10 recipients of ODA were Afghanistan ($6,374 million), Ethiopia ($3,529 million), the Democratic Republic of the Congo ($3,413 million), Haiti ($3,076 million), Pakistan ($3,021 million), the United Republic of Tanzania ($2,961 million), Viet Nam ($2,945 million), India ($2,807 million), the Occupied Palestinian Territory ($2,519 million) and Iraq ($2,192 million).[9]

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[7] OECD Development Assistance Committee, "Aid statistics". Available from oecd.org/dac/aidstatistics.

[8] OECD Development Assistance Committee, "Outlook on aid: survey on donors' forward spending plans 2012-2015". Available from oecd.org/development/aideffectiveness/50056866.pdf.

[9] OECD Development Assistance Committee, "Development aid at a glance, statistics by region: developing countries, 2012 edition". Available from oecd.org/dac/aidstatistics/42139479.pdf.

15. Aid flows remain unpredictable and volatile, as shown by their unexpected fall in 2011. Moreover, ODA delivered through multilateral agencies is not received immediately. Country programmable aid provides a useful measure of actual ODA receipts by developing countries. For 2011, it is provisionally estimated at $93.1 billion, which represents a fall of 2.4 per cent compared to 2010. This decline mostly affects countries in Central America as well as some large aid recipients in South-East Asia (e.g., Indonesia and the Philippines). It is estimated that country programmable aid will increase by 6 per cent in 2012 but mainly owing to expected increases in outflows of soft loans from multilateral agencies from earlier capital replenishments (2009-2011). From 2013 to 2015, country programmable aid is expected to stagnate, reflecting a delayed impact of the global economic crisis.

16. Other sources of development finance, including official assistance from non-members of the Development Assistance Committee, private philanthropy and innovative mechanisms, continue to rise. Donations by non-members of the Development Assistance Committee that informed OECD of their aid flows reached $7.2 billion in 2010. The biggest donor was Saudi Arabia, accounting for almost half of the total. It is estimated that private assistance in 2010 amounted to $56 billion. Innovative financing for development is characterized by official sector involvement, international cooperation and cross-border transfer of resources to developing countries; innovation in the type of resources, collection, or governance structures; and additionality over ODA. In all, an estimated $5.8 billion in health financing and $2.6 billion in financing for climate and other environmental protection programmes have been managed through such mechanisms since 2002. In general, innovative development financing mechanisms have fulfilled specific purposes, such as front-loading ODA disbursements, mitigating risks and incentivizing the commercialization of new vaccines.[10]

II. Strengthening the international financial architecture

A. Reform of financial regulation

17. The international community continued to pursue the reform agenda that had been set out in response to the weaknesses in financial regulation and oversight exposed by the global financial crisis. The overall goal of the reform efforts is to enhance the resilience, transparency and capitalization of the international financial system. In addition to efforts undertaken at the national and regional level in countries with major financial sectors,[11] the focus at the international level is on implementing the Basel III framework, strengthening the regulation of large financial institutions and expanding the regulatory perimeter to the shadow banking system and markets for over-the-counter derivatives.

18. The Basel III framework for bank capital and liquidity regulation, issued in December 2010, provides for higher minimum capital requirements, better risk capture, higher quality of capital and larger liquidity buffers. In addition, the

[10] See report of the Secretary-General on innovative mechanisms of financing for development (A/66/334), and *World Economic and Social Survey 2012: In Search of New Development Finance* (United Nations publication, Sales No. E.12.II.C.1).

[11] Examples include the *Dodd-Frank Wall Street Reform and Consumer Protection Act* in the United States and regulatory reform initiatives in the European Union.

framework combines micro- and macroprudential elements to address both institutional and systemic risks. It is foreseen that the Basel III requirements will be gradually phased in by 2019. According to the Basel Committee on Banking Supervision, the adoption of the Basel III rules under national law was planned or under way in all 27 member jurisdictions of the Basel Committee as at March 2012.[12] In addition, the framework is expected to be implemented in numerous countries that are not members of the Basel Committee.

19. It has been suggested, however, that the changes envisaged in the Basel III framework might be too small to sufficiently enhance the resilience of financial institutions against systemic shocks. According to some assessments, capital requirements should be significantly higher than those stipulated by Basel III.[1] Indeed, several countries have imposed higher capital requirements for important banks in their jurisdictions. Emerging markets and developing countries have also expressed concerns about the complexity of Basel III, which would pose challenges to their capacity to implement the new regulations, monitor implementation, and address potential unintended consequences for their financial systems.[13]

20. Despite amendments to the Basel III framework,[14] there are continuing concerns over the implications of the new rules for trade finance. The Basel III rules might increase bank capital and other requirements for trade finance facilities, such as letters of credit, and therefore significantly affect the availability and cost of such instruments. It is crucial to avoid such adverse impacts in the process of defining and calibrating the new requirements and to continue dialogue with all stakeholders concerned, in particular with a view to ensuring the participation of developing countries in international trade.

21. Large financial institutions were found to have spread systemic risks during the global financial crisis.[15] Group of 20 leaders therefore agreed to strengthen the oversight and regulation of systemically important financial institutions, in particular of global systemically important financial institutions. The international effort to address systemically important financial institutions focuses primarily on minimizing the adverse impacts their distress or failure might have on the financial sector as well as on the broader economy. In November 2011, the Financial Stability Board, in cooperation with the Basel Committee, identified an initial group of 29 global systemically important financial institutions.

22. The Financial Stability Board developed a set of policy measures to address systemically important financial institutions.[16] A key element of the measures is that global systemically important financial institutions should have a loss-absorbing capacity beyond the general standards promulgated by the Basel III rules. The

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[12] Basel Committee on Banking Supervision, *Progress Report on Basel III Implementation*, (Basel, Bank for International Settlements, 2012).

[13] Financial Stability Board, "Identifying the effects of regulatory reforms on emerging market and developing economies: a review of potential unintended consequences", 19 June 2012. Available from financialstabilityboard.org/publications/r_120619e.pdf.

[14] Basel Committee on Banking Supervision, *Treatment of Trade Finance under the Basel Capital Framework* (Basel, Bank for International Settlements, 2011).

[15] UNCTAD, *Trade and Development Report 2011, Post-crisis Policy Challenges in the World* (United Nations publication, Sales No. E.11.II.D.3).

[16] Financial Stability Board, "Policy measures to address systemically important financial institutions", 4 November 2011. Available from financialstabilityboard.org/publications/r_11110466.pdf.

measures put forward by the Board also aim at establishing more intensive and effective supervision of all systemically important financial institutions. While those measures represent important progress to tackle risks associated with large financial institutions, the view has been expressed that those risks are not yet adequately addressed in the present framework.[17] It has also been argued that the financial system continues to be highly concentrated, and that large financial institutions should be restructured by pursuing an antitrust approach.

23. There is an ongoing effort to enhance the monitoring and regulation of the shadow banking sector (i.e. credit intermediation through non-bank channels such as money market and other funds). Such entities can provide alternative, market-based sources of funding, but can also pose risks to the financial system. In October 2011, the Financial Stability Board issued principles for the monitoring of shadow banking,[18] which set out an assessment process for the relevant authorities regarding the nature and potential impact of non-bank credit intermediation in the financial system. In addition, the Board has enhanced the monitoring of shadow banking activities and will develop recommendations for further regulatory action in a number of specific areas in 2012.

24. The significant increase in over-the-counter derivatives, that is, a group of innovative financial instruments traded outside a formal securities exchange, is considered to have played a destabilizing role during the global financial crisis. Their notional amount outstanding grew almost six-fold over the past decade and amounted to $649 trillion in December 2011, corresponding to about 10 times world GDP.[19] International regulatory and standard-setting bodies have intensified work to improve the regulation and transparency of over-the-counter derivatives markets, including through requirements for the reporting and central clearing of transactions.[20]

25. Other regulatory initiatives under discussion include work on accounting standards, compensation practices,[21] financial market infrastructure, data gaps and financial consumer protection.

26. Despite some progress, formal representation in international financial regulatory bodies, such as the Bank for International Settlements, the Basel Committee and the Financial Stability Board, continues to be limited to advanced and some major emerging-market economies. The governance structures of those bodies should be reviewed with a view to enhancing the participation of developing countries and economies with smaller financial sectors.

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[17] "World economic situation and prospects as of mid-2012" (E/2012/72).

[18] Financial Stability Board, "Shadow banking: strengthening oversight and regulation", 27 October 2011. Available from financialstabilityboard.org/publications/r_111027a.pdf.

[19] Bank for International Settlements, "Semiannual OTC derivatives statistics at end-December 2011", available from bis.org/statistics/derstats.htm; World Bank, "World development indicators", available from http://data.worldbank.org/data-catalog/world-development-indicators.

[20] Jaime Caruana, General Manager, Bank for International Settlements, "Building a resilient financial system", statement to the Asian Development Bank Financial Sector Forum, Manila, 7 February 2012. Available from bis.org/speeches/sp120208.pdf.

[21] Krishnan Sharma, "Financial sector compensation and excess risk-taking: a consideration of the issues and policy lessons", Department of Economic and Social Affairs Working Paper No. 115, April 2012.

27. The success of international financial regulatory reform depends on the timely, comprehensive and globally consistent implementation of the policies. The establishment of the Financial Security Board framework to monitor the implementation of regulatory reforms is therefore a step in the right direction. Efforts in a number of regulatory areas remain works in progress, however, and require further detailing. Moreover, significant implementation challenges remain to avoid regulatory arbitrage and create a global regulatory level playing field. Better coordination between national regulators will be crucial in this regard. In addition, the phasing in of most regulatory changes over a rather long period of time has been identified as a weakness of the reform process.

B. Multilateral surveillance and policy coordination

28. Efforts have continued to strengthen the capacity of multilateral surveillance to identify risks to global financial and economic stability in a timely and comprehensive manner. An important priority in this process has been the focus on cross-border and cross-sectoral linkages, which involves enhancing the ability to assess the impact of policies and shocks in major economies on other countries and regions, as well as paying more attention to linkages between the financial sector and the real economy. Shortcomings in those areas had been identified as gaps in IMF surveillance in the run-up to the global financial and economic crisis.

29. IMF has taken a number of steps to strengthen the quality and coverage of its surveillance activities. In 2011, the Fund prepared, for the first time, spillover reports for the world's five largest economies (China, Japan, the United Kingdom, the United States, and the euro zone) to better reflect interconnections between the world's economies. The reports assessed the impact of policies in those economies on their partner economies. The findings were summarized in a consolidated spillover report, which stressed the importance of financial channels for transmitting global shocks and, therefore, the positive effect of policies tackling financial stress.[22] IMF also cooperates closely with the Group of 20 in the mutual assessment process on whether their policies support balanced and sustainable global growth. In addition, work is under way at the Fund to further reform and broaden its surveillance approach, including by bringing a multilateral perspective to bilateral surveillance, and by sharpening the focus on cross-country spillover effects, risk assessment and financial and external stability risks, as suggested by the Fund's 2011 Triennial Surveillance Review and the related Managing Director's Action Plan. The International Monetary and Financial Committee, at its meeting held in April 2012, agreed that the current surveillance framework should be significantly enhanced.[23]

30. The monitoring by IMF of global stability risks emanating from financial sectors has been strengthened by the decision to make financial stability assessments at five-year intervals a mandatory part of surveillance for the 25 jurisdictions with systemically important financial sectors. Under the revamped IMF/World Bank Financial Sector Assessment Programme, several systemically

[22] IMF, "Consolidated spillover report: implications from the analysis of the Systemic-5", July 2011. Available from imf.org/external/np/pp/eng/2011/071111.pdf.

[23] International Monetary and Financial Committee, "Communiqué of the twenty-fifth meeting of the IMFC", 21 April 2012. Available from imf.org/external/np/sec/pr/2012/pr12145.h.m.

important financial sectors are to be assessed in 2012.[24] Moreover, enhancing collaboration between the Fund and other relevant institutions in financial sector surveillance, such as the Financial Stability Board, the Bank for International Settlements and financial sector standard-setting bodies, continues to be a priority.

31. In addition to an increased focus on interlinkages and systemic risks, the effectiveness of surveillance relies on an adequate process to follow up on identified risks. While IMF has been strengthening the follow-up to surveillance recommendations, different options to further enhance the international commitment to take into account the repercussions of domestic policy decisions on global stability should be kept under consideration. They could include, for instance, mandatory consultations and the possibility of incentives and sanctions in cases of non-compliance with internationally agreed policies.[25] It was also emphasized, in particular by developing countries, that the effectiveness of surveillance depends on the quality and even-handedness of the analysis and advice provided.

32. The coordination of financial and economic policies at the international level is crucial to safeguard global financial stability. In the wake of the crisis, an important priority of the Group of 20 has been to set up a framework for economic policy coordination. At their summit in Cannes, France, in November 2011, Group of 20 leaders adopted the Cannes Action Plan for Growth and Jobs. The Action Plan aims to address short-term vulnerabilities in the financial system and strengthen medium-term foundations for growth, such as through fiscal consolidation and boosting domestic demand in countries with large current account surpluses to advance global rebalancing. Building on this process, Group of 20 leaders, at their summit in Los Cabos, Mexico, in June 2012, further adopted the Los Cabos Growth and Jobs Action Plan. A view was expressed, however, that the collective action is not comprehensive enough and is limited to an aggregation of policy measures that countries are planning on their own terms. It is argued that the momentum of cooperative action needs to be regained, and that more decisive international cooperation and better coordination are necessary to tackle pressing financial and economic challenges (see E/2012/72).

33. Many United Nations Member States, in particular small countries, remain excluded from the Group of 20 process, although their economies are affected by the decisions taken by this informal grouping. Discussions towards a stronger and more inclusive framework of global economic governance should therefore be advanced (see A/66/506). The central role of the United Nations in addressing the relationship between global economic governance and development has been emphasized.

C. Coping with developed country sovereign debt crises

34. Many stakeholders perceive the rising trend in sovereign indebtedness as unsustainable. With the average public debt ratio for developed economies having already surpassed 100 per cent of GDP, several developed economies have received

[24] IMF, "Big financial sectors under review in 2012 by IMF", *IMF Survey Magazine*, 13 January 2012. Available from imf.org/external/pubs/ft/survey/so/2012/pol011312a.htm.

[25] Jack T. Boorman and André Icard, "Palais Royal Initiative — reform of the international monetary system: a cooperative approach for the twenty-first century" in *Reform of the International Monetary System: The Palais Royal Initiative*, Boorman and Icard, eds. (Washington, D.C., Emerging Markets Forum, 2011).

downgrades by credit rating agencies. There have been various policy interventions at the national and regional levels to reduce public debt, with mixed results. Fiscal austerity measures are projected to reduce budget deficits in the euro zone, but deficits are expected to widen further in other major developed economies. The effectiveness of fiscal austerity measures is also affected by the interdependence between economic growth and public debt ratios. Premature fiscal austerity measures can slow down economic growth to a degree that may worsen public debt.

35. Other policies that have been implemented to reduce the adverse impacts of sovereign debt crises include measures to lower sovereign borrowing costs, enhance credit demand from firms and consumers and provide greater rescue funds in times of crisis. In that context, monetary expansion has taken place in major economies through large central bank purchases of sovereign bonds. In the euro zone, the European Central Bank has launched two longer-term refinancing operations since December 2011, which provided commercial banks with three-year loans at an interest rate of 1 per cent. The European Council further introduced the European Stability Mechanism, which provides the euro zone with €500 billion (about $628 billion) in rescue funds. At their summit in June 2012, euro zone leaders agreed on a more flexible use of the Mechanism, including the possibility of directly recapitalizing banks. Moreover, the newly adopted Fiscal Compact will allow the European Court of Justice to fine member countries not adhering to European Union budgetary guidelines. At the international level, many assistance measures were complemented by IMF facilities. The results have been mixed. While, for example, longer-term refinancing operations succeeded in raising demand for sovereign debt and bringing down borrowing costs for some economies from crisis levels, the additional liquidity has not yet trickled down to the firm and consumer level and remains largely in the financial system.

36. International financial stability against the background of substantial public debt could further improve through the establishment of international statutory mechanisms to both facilitate timely debt restructuring and provide greater clarity of the rules by which sovereign debt restructuring will occur. The international community should continue to explore possible measures to enhance the effectiveness of the debt restructuring process and, as a result, improve the efficiency of global capital markets and reduce losses faced by creditors, sovereign borrowers and others adversely affected by the uncertainty surrounding disruptive debt crises.[26]

37. The world financial and economic crisis, followed by the euro zone sovereign debt crisis, has shaken confidence in credit rating agencies. There are concerns that credit rating agencies may exacerbate pro-cyclicality during a crisis through rapid or overzealous downgrading of previously investment-grade instruments. Moreover, the downgrades may have spillover effects and lead to greater borrowing costs even for borrowers whose credit rating has not changed. Root causes for the failure of rating agencies to accurately assess the creditworthiness of certain borrowers have been attributed to conflicts of interest, lack of competition and methodological problems. Conflicts of interest may arise since it is the borrower and not the investor who pays for the rating. This contractual arrangement leads to an incentive for the rating agency to provide the best possible rating in order to maintain the

[26] See Department of Economic and Social Affairs, "Expert Group Meeting on sovereign debt restructuring", 18 May 2012. Available from un.org/esa/ffd/msc/2012Egm_debt/index.htm.

business relationship. Suggested remedies include to return to investor-paid ratings or to subject rating agencies to regulatory oversight and to publish rating performance on a regular basis.

38. Another criticism relates to the notion that the small number of rating agencies would impede the healthy competition that spurs important innovations for rating methodologies. If the "conflict of interest" challenge persists, however, more rating agencies may simply lead to a race to the bottom with more liberal and less reliable ratings. While the incentive and competition challenges seem to be of paramount importance, it is also the methodological flaws, especially in the rating of sovereign debt, that must become part of public debate. In the United States, policy action has included the 2006 Credit Rating Agency Reform Act, while at the international level the International Organization of Securities Commissions has published its Code of Conduct. In the European Union, the European Securities and Markets Authority recently established regulatory technical standards for credit rating agencies, the objective being to ensure a level playing field, transparency and the adequate protection of investors across the European Union and contribute to the creation of a single rule book for financial services.[27] Other proposals include obligating rating agencies to get permission for new rating methodologies. While more transparency is welcome, it is also important that those types of obligations not disincentivize rating agencies from revising old methodologies in favour of more diverse approaches.

D. Global financial safety net

39. Amid continuing financial instabilities, steps have been taken to strengthen the global financial safety net. The multilateral capacity to provide liquidity in times of systemic crises represents a crucial factor in safeguarding global financial stability. In addition, a reliable global financial safety net reduces the incentive for countries to accumulate reserves in order to cope with adverse shocks.

40. In 2012, resources available to IMF for crisis prevention and resolution were significantly reinforced. A number of countries committed themselves to provide an additional $456 billion for this purpose. Those resources will be in addition to quota increases under the IMF 2010 quota review and previously enhanced borrowing arrangements of the Fund with member countries and central banks. It was stressed that the additional resources will be available for the whole membership of IMF and not be earmarked for any particular region.

41. IMF continued to reform its liquidity and emergency lending facilities. In November 2011, the Precautionary Credit Line was replaced by the Precautionary and Liquidity Line, which is designed to meet more flexibly the liquidity needs of member countries with sound economic fundamentals and some remaining vulnerabilities. In addition, the Fund's instruments for emergency assistance were consolidated under the new Rapid Financing Instrument, which may be used to support a range of urgent balance-of-payments needs.

[27] European Securities and Markets Authority, "Publication of the first regulatory technical standards on credit rating agencies (CRAs)", 30 May 2012. Available from esma.europa.eu/news/Publication-first-regulatory-technical-standards-credit-rating-agencies-CRAs.

42. The international financial safety net has continued to evolve towards a multilayered structure comprising global, regional and bilateral components.[28] The overall size of the collective safety net, however, remains small in comparison to reserves accumulated by national central banks. Moreover, there continues to be a lack of a global mechanism ensuring the swift and sufficient availability of substantial resources to stabilize market conditions in times of systemic liquidity crises. Efforts to further strengthen crisis-lending facilities should therefore focus on enhancing the different layers of the financial safety net as well as strengthening the coordination and consistency between the mechanisms at different levels. In that regard, a stronger role for IMF in the coordination and management of the overall system might be envisaged.

43. The G-20 Principles for Cooperation between the IMF and Regional Financing Arrangements, endorsed by Group of 20 leaders at the meeting in Cannes in November 2011, recognized that enhanced cooperation between IMF and regional financial arrangements would be a step towards better crisis prevention and resolution. The financial and operational capacity of mechanisms in different regions has been reinforced, as in the euro zone or in East Asia. In May 2012, the members of the Association of Southeast Asian Nations plus China, Japan and the Republic of Korea (ASEAN+3) under the Chiang Mai Initiative agreed to double the size of their emergency liquidity programme to $240 billion and make it more readily available.[29]

44. It is recognized that the bulk of liquidity needed to ease funding pressures during the financial crisis was provided through a series of ad hoc arrangements among key central banks. The involvement of major central banks will remain pivotal for a functioning and sufficient global financial safety net. Calls for the creation of a more permanent framework of liquidity lines between key central banks should therefore be given consideration. It has been argued that the existence of such agreements, even in times of limited usage, has a stabilizing effect. Moreover, it is deemed important to ensure that such arrangements do not constrain the monetary policy and operational frameworks of participating central banks.[30]

E. Management of capital flows

45. The increasing volatility and vulnerability of private capital flows to changing investor sentiments have rendered it increasingly important for countries to have the scope to employ measures to effectively curb volatile short-term capital flows. The policy instruments that may be employed by countries to manage international capital flows are usually divided into three categories: (a) macroeconomic policies, (b) macroprudential measures and (c) other forms of capital account regulations,

[28] See, for instance, Pradumna B. Rana, "The evolving multi-layered global financial safety net, role of Asia", S. Rajaratnam School of International Studies Singapore Working Paper No. 238, 16 May 2012.

[29] Naoyuki Shinohara, IMF Deputy Managing Director, "Reforming international financial safety nets", statement to the Asian Development Bank Forty-fifth Annual Meeting, Manila, 5 May 2012. Available from imf.org/external/np/speeches/2012/050512.htm.

[30] Benoit Coeure, Member of the Executive Board of the European Central Bank, "Unexpected events and the global safety net", statement to the IMF/Swiss National Bank High-level Conference on the International Monetary System, Zurich, 8 May 2012. Available from ecb.int/press/key/date/2012/html/sp120508_2.en.html.

including capital controls. The latter directly target capital flows, whereas the macro tools focus on overall economic variables and the domestic regulatory framework.[1]

46. At the macroeconomic level, the policy options include exchange rate, monetary, fiscal and structural policies to enhance an economy's capacity to absorb capital inflows. The downside of these policy measures is that they may not be sufficiently targeted to stabilize financial flows and that they may have undesired side effects. Interventions in the foreign exchange market may result in the unwanted accumulation of foreign exchange reserves. Letting the exchange rate appreciate can adversely affect export-oriented sectors, while tightening fiscal and monetary policies to avoid overheating may constrain domestic demand and jeopardize economic recovery and growth.

47. Macroprudential measures aim at limiting the build-up of systemic vulnerabilities caused by excessive capital inflows and could take the form of balance sheet restrictions (e.g., limiting foreign exchange positions of banks), measures to maintain sound lending standards, such as imposing caps on loan to value ratios, or introducing countercyclical capital buffers aimed at slowing down credit expansion.[31] According to research at IMF, macroprudential measures to stem capital inflows and reduce excessive credit growth have had mixed results. While they appear to have lengthened the maturity of capital inflows in some countries (such as Croatia, Peru and the Republic of Korea), the effect on total net flows was limited. The apparent lengthening in the maturity of capital inflows in the above-mentioned countries has helped to reduce maturity mismatches in the banking system, however, and thereby enhanced the resilience of the financial sector.[32]

48. Overall, the evidence seems to suggest that while macroprudential measures are useful tools to mitigate the impact of volatile capital flows, there should not be excessive or exclusive reliance on them. They should in general be viewed as part of a package that includes sound macroeconomic policies and, in some instances, capital account regulations. The effectiveness of macroprudential measures in addressing volatile cross-border capital flows might also be limited by the fact that, unlike capital account regulations, they may not be sufficiently targeted to the source of the shocks.

49. Capital account regulations come in two varieties, price based or quantity based. Price-based measures, including imposing a tax on inflows or outflows or enforcing unremunerated reserve requirements, serve to alter the price of cross-border capital flows. Quantity-based measures include quantitative limits on certain types of cross-border capital transactions and minimum stay requirements on capital inflows.[33] During the past few years, a number of developing countries (including Brazil, Indonesia, Peru, the Republic of Korea and Thailand) have introduced capital account regulatory measures to contain volatile short-term capital flows.

50. The effectiveness of capital account regulations largely depends on the specific circumstances of a country, which include the economic situation, the

[31] While microprudential measures address the risk of failure of individual financial institutions, macroprudential measures deal with systemic risk.

[32] IMF, "Managing capital inflows: what tools to use?" Staff discussion note, 5 April 2011. Available from imf.org/external/pubs/ft/sdn/2011/sdn1106.pdf.

[33] Pardee Center Task Force, *Regulating Global Capital Flows for Long-Run Development* (Boston University, 2012).

quality of the existing regulatory framework, the structure and persistence of inflows, and the design and implementation of capital flow management measures. For instance, while most studies find that capital account regulations have in many cases successfully changed the composition of inflows away from short-term debt, the impact on longer-term flows has varied; the measures appear to have more success in some cases than in others. This suggests that the design of regulations needs to take into account the specific circumstances of individual countries.[1]

51. IMF has been working to develop a framework to help countries deal with large cross-border capital flows. A set of Fund considerations regarding the use of capital account regulations proposes that country authorities may wish to use such regulations when the exchange rate is not undervalued, the level of reserves is more than adequate, and there are signs of economic overheating. In addition, when capital account regulations are used, IMF suggests that the controls preferably not discriminate between residents and non-residents. Moreover, measures need to be tailored to the risks generated by volatile cross-border capital flows and should be withdrawn when they are no longer required. The Fund also states that the design of capital controls needs to be tailored to country circumstances.[34] Finally, IMF asserts that temporary regulations on capital outflows can be useful in crisis or near-crisis conditions, but only as a supplement to more fundamental adjustments in policies.[35]

52. Nevertheless, some aspects of the Fund's framework have generated discussion. For instance, it has been argued that capital account regulations should be seen as an essential part of the macroeconomic policy regime, evidence having been cited of countries that have effectively employed them alongside other macroeconomic and macroprudential measures. It has also been argued that the regulations should be seen not as solely temporary measures but as permanent tools that can be applied countercyclically to changing economic circumstances. Finally, some experts argue for attaching greater importance to capital outflow restrictions which, among other things, may be a significant deterrent to volatile and harmful short-term inflows.[32]

53. A set of conclusions for the management of capital flows was endorsed by Group of 20 leaders during their 2011 summit in Cannes. In particular, the Group of 20 document reiterated that there was no one-size-fits-all approach or rigid definition of conditions for the use of capital flow management measures.[36]

F. Governance reform at the Bretton Woods institutions

54. Both IMF and the World Bank have taken important steps to move towards a more representative, responsive and accountable governance structure. IMF approved quota and governance reforms in 2010 under the Fourteenth General Review of Quotas, which will double the quotas of member countries and shift more than 6 per cent of quota shares to emerging-market and developing countries

[34] IMF, "Recent experiences in managing capital inflows: cross-cutting themes and possible policy framework", IMF Board paper, 14 February 2011, available from imf.org/external/np/pp/eng/2011/021411a.pdf; and "Managing capital inflows: what tools to use?".

[35] IMF, "Liberalizing capital flows and managing outflows", IMF Board paper, 13 March 2012. Available from imf.org/external/np/pp/eng/2012/031312.pdf.

[36] Group of 20, "G20 coherent conclusions for the management of capital flows drawing on country experiences", November 2011. Available from g20.utoronto.ca.

without lowering the quota shares and voting power of the poorest members. The review will lead to an Executive Board with two fewer seats for advanced European countries and two more seats for emerging countries, which will reflect the change in quota shares. As part of the agreement, all Executive Directors will also be elected. It was also agreed that the composition of the Board will be reviewed every eight years, starting when the quota reform takes effect. In that context, developing countries have called for a third chair for sub-Saharan Africa in place of a chair held by an advanced country.[37]

55. The reforms will not come into force until three fifths of IMF members with 85 per cent of voting rights ratify the change. As at June 2012, however, several member countries, including the Fund's largest shareholder, have not yet ratified the quota reform. Speedy ratification of the reforms has become more urgent with the declared goal to bring forward the Fifteenth General Review of Quotas to January 2014. In that context, the International Monetary and Financial Committee, in its most recent communiqué, has reaffirmed the urgency of making the 2010 quota and governance reforms effective by the 2012 annual meetings.[22]

56. A comprehensive review of the current quota formula will be concluded by January 2013. On 7 March 2012, the Executive Board of IMF initiated formal discussions on the review of the quota formula. Discussions point to a wide convergence of views with regard to the importance of agreeing on a simple and transparent quota formula that better reflects members' relative positions in the world economy and protects the voice and representation of the poorest members. The discussions have touched upon a number of issues, including the relative importance of market GDP versus purchasing power parity GDP in the GDP blend variable, options for better capturing financial openness, economic vulnerability and financial strength, the scope for capturing members' financial contributions and the use of compression to moderate the role of size in the formula and better protect the voice of smaller members and low-income countries.

57. The second phase of governance reform for the World Bank Group, agreed on in April 2010, increases the voting power of developing countries and countries with economies in transition by an aggregate 4.59 percentage points in the International Bank for Reconstruction and Development (IBRD) (since 2008) to 47.19 per cent; by 6.07 percentage points in the International Finance Corporation to 39.48 per cent; and by about 6 percentage points in the International Development Association to 45.59 per cent. The rise in voting shares of developing and transition economies has helped to make the World Bank more open, transparent and accountable.[38]

58. In the case of IBRD, however, including only low-income and middle-income countries (using the Bank's own categorization), the shift from high-income countries to low- and middle-income countries was 3.71 percentage points, taking the share of the latter from 34.67 per cent to 38.38 per cent, while high-income countries retained more than 60 per cent. In that context, the next shareholding review in 2015 should aim for a further increase in the voting power of low- and middle-income countries in the Bank's efforts towards a transparent, dynamic and

[37] Group of 24, "Communiqué", 19 April 2012. Available from g24.org/Communiques/Com2012_april.html.

[38] IMF/World Bank Development Committee, "Communiqué", 21 April 2012.

rules-based voting power formula and protecting the share of the smallest poor countries.[39]

59. For the Bretton Woods institutions, an open and transparent senior leadership selection process that is based on merit irrespective of nationality and gender, as well as the promotion of greater management and staff national diversity, remain important objectives to enhance legitimacy and credibility. In that context, developing countries welcomed the fact that, for the first time in the history of the World Bank, there was an open process for the selection of the President that involved a debate on the priorities and future of the institution. Future selection processes should build on this progress.[36]

III. Conclusions

60. **While the external imbalances of the major economies stabilized at about half their pre-crisis levels during the past year, they remain a matter of concern to policymakers. Global imbalances and the related accumulation of foreign reserves by a number of developing countries led to a significant net transfer of financial resources from the developing to the developed world. Net private capital flows to developing countries experienced a downturn during the latter part of 2011. Moreover, 2011 marked the first annual drop in net ODA (in real terms) from OECD Development Assistance Committee member countries for many years. Both private and official capital flows to developing countries remain unpredictable and volatile.**

61. **The focus of financial regulation at the international level has been on implementing the Basel III framework, strengthening the regulation of large financial institutions and expanding the regulatory perimeter to the shadow banking system and markets for over-the-counter derivatives. The success of international financial regulatory reform depends on the timely, comprehensive and globally consistent implementation of policies in these areas.**

62. **IMF has taken a number of steps to strengthen the quality and coverage of its surveillance activities, including an increased focus on cross-border and cross-sectoral linkages. Work is under way at the Fund to further reform and broaden its surveillance approach. The effectiveness of IMF surveillance would also be enhanced if it were backed by an adequate follow-up process. Better cooperation and coordination of financial and economic policies at the international level is necessary to tackle pressing financial and economic challenges.**

63. **International financial stability could further improve through the establishment of international statutory mechanisms to both facilitate timely debt restructuring and to provide greater clarity of the rules by which sovereign debt restructuring will occur. Regulatory measures should be explored to improve credit rating agencies and their capacity to accurately assess the creditworthiness of borrowers.**

[39] World Bank, "World Bank Group voice reform: enhancing voice and participation of developing and transition countries in 2010 and beyond", staff background document for the Development Committee Meeting, 19 April 2010. Available from http://siteresources.worldbank.org/DEVCOMMINT/Documentation/22553921/DC2010-006(E)Voice.pdf.

64. While steps have been taken to strengthen the global financial safety net, the available collective resources remain small in comparison to the reserves accumulated by national central banks. A key element in strengthening the global financial safety net is closer cooperation between IMF, national central banks and regional and subregional mechanisms. In this regard, a stronger role for IMF in the coordination and management of the various layers of the global financial safety net system might be envisaged.

65. While macroprudential measures are useful tools to mitigate the impact of volatile capital flows, they should in general be viewed as part of a package that includes sound macroeconomic policies and, in some instances, capital account regulations. The effectiveness of capital account regulations largely depends on the specific circumstances of a country. There is no one-size-fits-all solution and the use and design of capital account regulations should take into account the specific circumstances of individual countries.

66. The Bretton Woods institutions have taken important steps to move towards a more representative, responsive and accountable governance structure. The 2010 governance reforms need to be implemented in a timely manner. Future selection processes for the heads of the Bretton Woods institutions should build on the recent open selection process of the World Bank President.

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Follow-up to the Second World Assembly on Ageing

Report of the Secretary-General

Summary

The present report is submitted in response to General Assembly resolution 66/127 on the implementation of the follow-up to the Second World Assembly on Ageing. The report provides an overview of the integration of older persons in social development and explores the key challenges faced by older persons in this regard and in the enjoyment of their human rights.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 66/127 entitled "Follow-up to the Second World Assembly on Ageing". In paragraph 35 of that resolution, the Assembly requested the Secretary-General to prepare a report on the implementation of the resolution, in particular on the integration of older persons, including older women, in social development and the promotion of the full and equal enjoyment of all human rights and fundamental freedoms by older persons.

2. Paragraph 66 of the Programme of Action adopted at the World Summit for Social Development held in Copenhagen in 1995 states that:

> The aim of social integration is to create "a society for all", in which every individual, each with rights and responsibilities, has an active role to play. Such an inclusive society must be based on respect for all human rights and fundamental freedoms, cultural and religious diversity, social justice and the special needs of vulnerable and disadvantaged groups, democratic participation and the rule of law.

3. The Madrid International Plan of Action on Ageing, 2002, adopted at the Second World Assembly on Ageing held in Madrid in 2002, emphasizes the need to foster a society for all ages in which older persons are provided with opportunities to be full participants in the development process. To that effect, the Plan of Action identifies issues that are critical to the active participation of older persons in society, including removing whatever excludes or discriminates against them. Concerns about ensuring the full integration and participation of older persons in society also figure prominently in all regional strategies for the implementation of the Madrid Plan of Action on Ageing.[1]

4. The social integration of older adults is shaped by social institutions and cultural norms and values at the macrolevel, and by an individual's social network, health, family and socioeconomic conditions at the microlevel. The present report provides an overview of the integration of older persons in social development and discusses the main challenges they face. The report is organized into six sections. Section II below focuses on the social integration of older persons through their economic and social contributions. Section III discusses the significance of older persons' consumption and access to goods and services to their social integration. Section IV describes how housing, transportation, and care and support are critical to the social participation of older persons. Section V addresses two major challenges to social integration in later life, namely, social isolation and ageism. The report's conclusions and recommendations are presented in section VI. All sections contain a brief discussion of the interdependence between older persons' social integration and the full enjoyment of their human rights.

[1] See http://social.un.org/index/Ageing/MadridPlanofActionanditsImplementation/RegionalImplementationStrategiesoftheMIPAA.aspx.

II. Social integration of older persons through their economic and social contributions

A. Work and employment

5. Work and employment are as important for the social integration of older persons as they are for that of all other age groups. In 2008, 74 per cent of men and 40 per cent of women aged 55 to 64 years worldwide were economically active, and 30 per cent of men and 12 per cent of women aged 65 years or over worldwide were economically active. Labour force participation of older men is higher in less developed regions than in more developed regions, whereas the reverse is true for older women. In less developed regions, 77 per cent of men and 38 per cent of women aged 55 to 64 years were officially employed, compared with 37 per cent of men and 14 per cent of women aged 65 years or over. In more developed regions, the corresponding rates were 65 per cent for men and 46 per cent for women aged 55 to 64 years, and 15 per cent and 8 per cent, respectively, for those aged 65 years and over.

6. The differences in levels of labour force participation between developed and developing regions reflect the typical inverse relationship between labour force participation at older ages and the proportion of the older population receiving a pension. However, the lower level of labour force participation at older ages in more developed regions is also indicative of the various barriers faced by older workers in labour markets. The incidence of long-term unemployment (1 year and over) is higher — often much higher — for jobseekers aged 55 years and over than for those in the peak working-age range of 25 to 54 years. In 2010, the average long-term unemployment rate in countries of the Organization for Economic Cooperation and Development (OECD) was 41 per cent for persons aged 55 years or over, compared with 35 per cent for persons aged 25 to 54 years.[2]

7. The relatively high incidence of long-term unemployment among older unemployed persons is a direct consequence of discrimination in hiring, promotion and access to job-related training. A review by OECD revealed that, in nearly all the member countries studied, most employers held stereotypical views about older workers and their perceived weaknesses and that employers' negative perceptions about the abilities and productivity of older workers affected decisions about hiring and retention.[3]

8. The review concluded that it was important to challenge the prejudicial views of employers so that older workers could gain greater access to employment opportunities. It also emphasized that negative perceptions of older workers undermined labour market reforms, including the adoption of such age-friendly employment practices as part-time employment.

[2] Accessed from OECD StatExtracts, Labour force statistics, on 10 June 2012.

[3] OECD, *Live Longer, Work Longer* (Paris, OECD Publishing, 2006).

9. Agriculture remains a mainstay of employment for the older population in many developing countries, especially in Africa and Asia, where the majority of older people live in rural areas. Studies in several Asian countries in the 1990s found that more than half of older workers were engaged in agriculture.[4] In Europe, older workers are overrepresented not just in agriculture, but also in the expanding fields of education, health and social work. There is a tendency in developed countries for highly skilled workers to retire later than their lower skilled counterparts.

10. Part-time work can provide a transition to retirement for older workers. However, depending on national regulations, working beyond the official pensionable age may mean forgoing some social security and pension benefits. A 2002 survey of 15 European countries revealed that 37 per cent of working women aged 50 to 64 years were employed part time, as were 63 per cent of those aged 65 years or over. Part-time employment rates were lower for men but increased with advancing age, ranging from 7 per cent for the 50 to 64 age group to 45 per cent for persons aged 65 years or over.[5]

11. In developing countries, employment opportunities for older persons often are only available in the informal sector, where jobs typically offer relatively low pay, insecure tenure and limited opportunities for advancement, and lack retirement benefits. A study in Thailand, for example, revealed that 90 per cent of workers aged 60 years or over were engaged in informal employment.[6]

12. A growing, albeit still limited, number of countries have adopted laws to combat and prevent discrimination against older workers. According to a 2008 study published by the International Labour Organization (ILO), approximately 50 countries worldwide had some form of legislation against age discrimination in employment. In addition, Ecuador, Eritrea, Mexico and South Africa now have constitutional provisions that address age or age equality in labour markets.[7] Members of the European Union have adopted legislation in conformity with a 2000 European Union directive on equal treatment in employment and occupations that prohibits all forms of employment-related discrimination, including based on age, without prejudice to national provisions laying down retirement ages.[8]

13. Some policies adopted within the European Union directly affect the employment and/or employability of older persons. Several European countries have

[4] Kevin Kinsella and Wan He, *An Aging World: 2008*, U.S. Census Bureau, International Population Reports, P95/09-1 (Washington, D.C., U.S. Government Printing Office, June 2009). Available from http://www.census.gov/prod/2009pubs/p95-09-1.pdf.

[5] European Foundation for the Improvement of Living and Working Conditions, "Part-time work in Europe", available from http://www.eurofound.europa.eu/ewco/reports/TN0403TR01/TN0403TR01.pdf.

[6] Rika Fujioka and Sopon Thangphet, "Decent work for older persons in Thailand", International Labour Organization (ILO) Asia-Pacific Working Paper Series (Bangkok, International Labour Organization, Regional Office for Asia and the Pacific, February 2009). Available from http://www.ilo.org/wcmsp5/groups/public/@asia/@ro-bangkok/documents/publication/wcms_103920.pdf.

[7] Naj Ghosheh, "Age discrimination and older workers: Theory and legislation in comparative context", Conditions of Work and Employment Series No. 20 (Geneva, International Labour Office, 2008). Available from http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_travail_pub_19.pdf.

[8] Council Directive 2000/78/EC.

decided to raise the mandatory retirement age and/or pensionable age and to restrict early retirement in order to improve the financial sustainability of their pension systems in the face of a rapidly ageing population. Some countries have introduced incentives such as bonuses for deferred retirement and gradual retirement. A number have also adopted subsidies or tax reductions to encourage employers to hire older workers. Another category of policies includes communication campaigns aimed at promoting a more positive view of older workers.

14. While the global economic crisis is still unfolding, particularly in the employment sector, preliminary estimates point to steady upward trends in the labour force participation of workers aged 55 and over in most of the developed world, with the exception of a few countries where the participation rate was initially very high but which experienced the reverse trend (see table below). No clear trends have emerged in the developing world.

Labour force participation rates by sex and age group in selected countries, 2000 and 2010 (percentage)

	Age 55-64		*Age 65+*	
Country	*2000*	*2010*	*2000*	*2010*
		Males		
Australia	51.3	70.8	34.1	29.4
Canada	60.9	71.1	25.0	22.4
Czech Republic	54.5	60.7	17.5	21.0
Estonia	63.3	69.6	9.4	16.4
France	33.9	43.2	8.7	15.2
Germany	49.3	51.6	11.6	14.4
Japan	84.1	83.9	3.9	10.0
New Zealand	79.2	80.3	10.1	7.3
United Kingdom of Great Britain and Northern Ireland	64.7	65.5	2.6	2.8
United States of America	69.6	75.3	1.6	2.5
		Females		
Australia	35.7	54.1	3.1	6.8
Canada	41.4	56.7	3.3	7.5
Czech Republic	23.6	38.1	2.4	3.2
Estonia	39.9	63.9	6.5	11.8
France	28.4	40.1	0.6	1.1
Germany	32.4	54.2	1.5	2.8
Japan	49.7	53.9	14.4	16.1
New Zealand	47.8	69.2	4.4	12.4
United Kingdom of Great Britain and Northern Ireland	42.6	50.5	3.4	6.4
United States of America	51.9	60.2	9.4	13.8

Source: Calculated from *Key Indicators of the Labour Market*, 7th Edition, ILO, accessed on 10 June 2012.

B. Community and social participation

15. The social inclusion of older persons and their contributions to society extend beyond formal economic activities and labour markets. The provision of support to family and neighbours, sometimes considered as informal voluntary work, is a common example of how older persons contribute to society. Volunteer work activities in general tend to strengthen community ties and improve the quality of life across generations. In addition to strengthening solidarity and civic engagement, volunteerism has considerable economic value although it remains unaccounted for.

16. At the individual level, volunteerism helps to keep older persons active and engaged; it engenders a sense of belonging and well-being and reduces their vulnerability to exclusion. It has been demonstrated that older persons involved in voluntary activities are less likely to be socially excluded and isolated.[9] Volunteerism among older persons also leads to a more positive mood and limits anxiety and feelings of helplessness and hopelessness.[10] The relationship between volunteerism and psychological well-being in old age is particularly important for older persons who are confronting the fact that they no longer identify themselves primarily by their role in the marital, parental, employment or other common domains. The recognition of volunteerism as an effective measure to enhance the social inclusion of older persons, community social cohesion and quality of life, led to the observance of the European Year of Volunteering in 2011.

17. Owing to cultural and historical differences, the tradition of volunteerism and the voluntary sector are not equally developed in all countries. It has been argued that participation in organized voluntary work may be related to economic development and democratic traditions.[11] Empirical evidence from Europe also suggests that, in countries with large shares of government social spending, voluntary work among seniors is quite common.

18. Whereas macrolevel factors and general social conditions influence the readiness of older persons to engage in voluntary activities, an individual's level of education is another important determining factor in volunteerism. For instance, in Germany, in 2010, only 5 per cent of seniors surveyed who had little formal education indicated that they did voluntary work. The volunteerism rate of people with an intermediate level of education was 9 per cent, while the rate rose to 17 per cent among persons with higher education.[9]

C. Civic and political participation

19. The engagement of citizens in civil society organizations gives them a voice and often leads to improved diagnosis and resolution of civic issues at both the local and societal levels. Having a voice in matters that directly affect one's personal life or a social group is critical to social integration.

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[9] Gerhard Naegele, and Eckart Schnabel, "Measures for social inclusion of the elderly: The case of volunteering" (Working Paper) (Dublin, Eurofound, 2010).

[10] Emily Greenfield and Nadine Marks, "Formal volunteering as a protective factor for older adults' psychological well-being", *Journal of Gerontology: Social Sciences*, vol. 59, No. 5, 2004.

[11] Karsten Hank and Marcel Erlinghagen, "Dynamics of Volunteering in Older Europeans", *The Gerontologist*, vol. 50, No. 2 (2009).

20. In a small number of developed countries, organizations of older persons have built strong constituencies in the past several decades. Organizations such as the American Association of Retired Persons in the United States of America or Age UK, formerly Age Concern and Help the Aged, in the United Kingdom of Great Britain and Northern Ireland have been influential in shaping programmes and policies geared towards older persons. They also provide their members and older persons at large with targeted information and, in some cases, services relating to all aspects of personal, social and economic life in older age. However, in most parts of the world, it is only in the past decade or so that older persons have started forming self-help organizations or advocacy groups on a significant scale.

21. While economic, social and demographic changes may be contributing to the increase in civic and political participation among older persons to some extent, one of the primary factors is that older persons often feel excluded from mainstream politics and societal debates and that representative democracy and existing development frameworks have failed to address their concerns. In some countries, the high rate of voter turnout among older persons has helped to ensure that their concerns are addressed. However, in many others, older persons who regularly exercise their democratic right to vote feel that their voices have not yet been heard.[12]

22. Key advocacy priorities and initiatives of grass-roots organizations of older persons worldwide include strengthening income security through pensions and jobs and improving access to quality health care. In countries plagued by natural disasters such as droughts, floods or earthquakes, the main focus of these organizations is often to draw the attention of policymakers, humanitarian agencies and the general public to the needs of older persons in emergencies. Other priorities are to promote changes in attitudes towards older persons and to challenge age discrimination.

III. Access to goods and services by older persons

A. Social integration and income

23. Adequate income and assets are determining factors in the social integration of older persons. Without sufficient income, older people face multiple disadvantages and are denied some of the fundamental forms of participation in society. As people retire and advance in age, their level of income and assets tends to decrease. In the mid-2000s, incomes of people aged 65 and older across OECD countries amounted to 82 per cent of the income of the population as a whole.[13] However, there are large cross-country differences, from a low two thirds of the national average in Ireland and the Republic of Korea, to 97 per cent in Austria and Mexico.

24. As sources and levels of income tend to decrease with age, older persons may face economic insecurity and vulnerability to poverty during their old age and/or

[12] See the "activism map" of the "Age Demand Action" 2011 campaign showing its activities in 59 countries, available from http://maps.google.co.uk/maps/ms?msa=0&msid=213538933630675405674.0004aadf056386488a56e&hl=en&ie=UTF8&t=h&z=2&vpsrc=0, accessed on 20 June 2012.

[13] OECD, *Pensions at a Glance 2011* (Paris, OECD Publishing, 2011).

retirement years. These risks are generally more pronounced in developing countries, where formal social protection schemes often fall short of covering the majority of the population. In addition, ongoing social and economic changes and increased longevity are straining traditional economic support provided by families to their older members. As a result, a significant number of older persons are at greater risk of falling into poverty or remaining below the poverty line.

25. In OECD countries, the poverty incidence among people aged 65 and over ranges from 5 per cent in Canada, the Czech Republic, Hungary, Iceland, Luxembourg, the Netherlands, Poland and New Zealand, to 45 per cent in the Republic of Korea, with an average of 13.5 per cent. Poverty tends to be higher among older people than in the population as a whole, where the incidence is 10.6 per cent. In most countries, the risk of poverty continues to increase even more with age: the average poverty rate for persons aged 75 and over across OECD countries is 16.1 per cent.

26. To some extent, the higher incidence of poverty among older seniors is explained by the fact that their pensionable income was lower than that of younger groups of workers. In developing countries, older persons often do not have the higher living standards attained by the younger population. Another important factor is the significantly higher proportion of women among older seniors. Women in this age group are at much greater risk of poverty owing to unequal access to resources and income opportunities not only during their adult life, but even more during their later life, in particular if they are widows or divorcees. In 27 out of 30 OECD countries, older women are at greater risk of poverty than older men. Old-age income insecurity and poverty are also much more prevalent among ethnic minorities and persons with disabilities.

B. Access to insurance and financial services

27. There is growing anecdotal evidence that the social integration of older persons is constrained by age limits and penalties imposed by insurance service providers and financial institutions. Yet, in most countries, this issue has only recently received limited, if any, attention from public authorities and has not been researched or addressed in discussions on financial inclusion.

28. A rare attempt to fill part of the information gap on age discrimination in access to financial services was made by AGE Platform Europe in 2011. This European network of around 165 organizations mobilized its membership in 23 European Union member States to visit banks and insurance companies and recorded their reactions to requests for specific financial products. The field research was supplemented with Internet-based shopping and telephone calls to insurance companies and banks. The findings suggested that age discrimination was a widespread reality, particularly with regard to travel insurance, complementary health insurance, mortgages and loans.[14]

29. Limited coverage and higher, sometimes prohibitive, premiums are common in insurance policies offered to customers over a certain age and, in some countries,

[14] AGE Platform Europe, "Unblocking the Age-Discrimination Directive", background document on age discrimination in access to financial services presented at a hearing of the Committee on Civil Liberties, Justice and Home Affairs of the European Parliament, Brussels (2012).

insurance companies simply deny access to certain policies. Similarly, in most countries, banks restrict access to long-term loans and mortgages for persons over a certain age, usually 65 or 70. In addition to being exclusionary and even discriminatory, such restrictions on older persons hinder their access to basic services, housing, home equipment and transportation.

30. The survey undertaken by AGE Platform Europe singled out two examples of good non-discriminatory practice. The first example was Malta, where decisions to grant loans are based solely on an individual's capacity to repay, irrespective of the applicant's age. The second example was Sweden, where, following much media discussion in August 2008, all Swedish banks voluntarily removed age-discriminatory practices in the granting of credit cards, loans and mortgages.

31. In developing countries, older persons have also traditionally been excluded from access to small business loans and microfinance services owing to their age, despite studies showing that older persons have a higher than average rate of repayment. One exception to this general trend is a partnership between HelpAge Canada and operators of micro-business development programmes in Ahero, Kenya designed to lift older persons and their families out of poverty. The micro-business development programme supports basic business plans created by older persons. The business plans cover a variety of fields from agriculture to textile production or other local crafts. After a business plan is finalized, HelpAge Canada provides microcredit financing, and local partners provide oversight, support and advice to older entrepreneurs as they develop their micro-businesses. Micro-businesses started by older persons with the support of HelpAge Canada have provided income to several local communities and have produced enough profit to send local children orphaned by HIV/AIDS to school.[15]

C. Access to health care

32. As chronic health conditions and impairments become more prevalent with advancing age, access to health care is critical to the continued integration of older persons in society. Visual impairments that are typical in older age, such as cataracts, glaucoma and macular degeneration, are major barriers to older persons' participation in society when left untreated, as is often the case in the developing world. Similarly, untreated hearing loss hinders communication and can contribute to social withdrawal and isolation. This may also lead to a loss of independence and the need for formal support services. Hearing loss is also associated with anxiety, depression and cognitive decline.

33. Depression is known to be common among older persons, although in developing countries, precise data are scarce. Depression, loneliness and anxiety may arise as a result of major life changes such as the death of a spouse or a sudden decline in health. Depression often occurs together with other disorders such as dementia, heart disease, stroke, diabetes or cancer, further degrading the quality of life of afflicted older persons and their ability to participate in society. Depression is also considered to be a main factor in explaining the surge in suicide rates among persons aged 75 and over.

[15] See http://helpagecanada.ca/what-we-do/21-micro-business.html.

34. Against this scenario, it is notable that, worldwide, a large number of older persons have no access to satisfactory levels or quality of health care and are therefore limited in their economic, social, cultural and political participation.

35. The health-care systems of developing countries were established to focus primarily on combating communicable diseases, and they remain poorly adapted to — and have insufficient resources for — the care and prevention of chronic diseases. In addition, foreign assistance for health care has tended to target specific communicable diseases, often through vertically integrated programmes that do little to support the primary health-care services upon which both older and younger people rely for routine care.

36. Access to health care is further constrained by a shortage of qualified medical staff, especially in rural areas where older people, whose mobility is often limited, are also likely to have difficulty reaching services. According to the World Health Organization (WHO), in 2006, 57 countries, most of which are located in Africa and Asia, had a critical shortage of health workers to meet the essential health needs of their populations.[16]

37. In countries where a high proportion of the population lives on the equivalent of under $1 or $2 per day, health services are unaffordable for many families. In countries that have introduced user fees for services that had previously been publicly funded, use of those services has often dropped dramatically, particularly in the most vulnerable population groups.[17] For example, according to a nationally representative survey of around 70,000 households in China conducted in 1998 and 2003, difficulty in paying medical costs played a determining role in the underutilization of medical services by older persons.[18] However, since the initiation of the three-year health-care reform plan in 2009, progress is being made and the cost of co-payments, particularly for the treatment of chronic non-communicable diseases and disorders, continues to decline.[19] Even when exemptions from fees are guaranteed by government regulation, older persons may not be aware that they can request such an exemption. Another survey of older persons in Ghana found that most did not know that they were exempt from paying user fees in public hospitals, which resulted in greatly reduced access.[20]

38. In developed countries, preconceived notions and negative attitudes about older people on the part of medical staff sometimes lead to a de facto rationing of care that is based on age rather than an objective assessment of the patient's likelihood of benefiting from treatment. For example, a 2009 poll of 200 doctors belonging to the British Geriatrics Society revealed that more than half who cared for older persons believed that the National Health Service was "institutionally ageist"; 66 per cent believed that older persons were less likely to have their

[16] WHO, *The World Health Report 2006: working together for health* (Geneva, WHO Press, 2006).

[17] ILO, *World Social Security Report 2010/11: Providing coverage in times of crisis and beyond* (Geneva, International Labour Office, 2010).

[18] Ministry of Health, China, *Report of the 3rd national health service survey* (Beijing, Peoples Health Publishing House, 2004) (in Chinese), quoted in Tuohong Zhang and Yude Chen, "Meeting the needs of elderly people in China", *British Medical Journal*, vol. 333, No. 7564, 9 August 2006, available from http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1550456/.

[19] W. C. Yip and others, "Early appraisal of China's huge and complex health-care reforms", *The Lancet*, vol. 379, No. 9818, 3 March 2012.

[20] Peter Lloyd-Sherlock, *Population ageing and international development: From generalisation to evidence* (Bristol, UK, Policy Press, 2010).

symptoms investigated; and 72 per cent were of the opinion that older people were less likely to receive referrals for surgery or chemotherapy.[21]

39. In particular, depression is a frequently overlooked condition among older persons because of a lack of knowledge among caregivers and health professionals and the widespread belief that it constitutes a normal part of ageing.

IV. Enabling supportive housing and living environments for older persons

A. Housing and transportation

40. Based on consultations conducted with older persons worldwide, their families and the professionals who work with them, there is broad agreement on the types of housing and community amenities that help older persons to live comfortably and remain active and engaged in wider society. These include, inter alia, dwellings that can accommodate those with limited mobility and strength, a clean and safe environment inside and outside the home, transportation that is both affordable and accessible, walkways in urban areas that are in good repair and free of obstacles, traffic signals that allow enough time for older persons to cross streets safely, places to rest outdoors, and public buildings that are accessible to those with limited mobility.[22]

41. Although members of the ageing population frequently live in older housing units that are not adapted to their needs and therefore encounter obstacles in moving about their communities, progress is being made on a number of levels. A growing number of national and local governments have adopted policies to make housing and urban environments more accessible for older persons. Increasingly, they are revising building codes to ensure the incorporation of age-friendly features in new construction. Some Governments and civil society organizations have made significant investments in this regard, often introducing modifications to existing housing and public facilities. Most such programmes are found in the more developed countries, but cities such as Bangkok, Beijing and New Delhi are also adopting similar measures, in some cases on a pilot basis.[23]

42. In developed countries, a number of Governments have made strides in allocating funds for eligible older persons to improve the accessibility and safety of their existing housing so they can continue to reside at home. This is particularly important for the large number of older persons who live in older housing units.

43. Adequate housing and support to remain in one's own home are critical to the well-being, independence and freedom of choice of older persons. Community

[21] See http://news.bbc.co.uk/2/hi/health/7850881.stm.

[22] WHO, *Global Age-Friendly Cities: A Guide* (Geneva, WHO Press, 2007), available from http://www.who.int/ageing/publications/Global_age_friendly_cities_Guide_English.pdf; and United Nations Centre for Human Settlements (Habitat), *Improving the Quality of Life of the Elderly and Disabled People in Human Settlements, Volume I: A Resource Book of Policy and Programmes from around the World* (Nairobi, 1993), available from http://ww2.unhabitat.org/programmes/housingpolicy/documents/HS-284.pdf.

[23] *World Economic and Social Survey 2007: Development in an Ageing World* (United Nations publication, Sales No. E.07.II.C1).

design that emphasizes the integration of older persons in housing rather than in residential group homes or gated communities has begun to be more widely explored in both developed and developing countries.[24] This trend is driven in part by an inclusive approach to development and quality of life, and in part by cost considerations. There is significant evidence that the financial costs associated with community-based support that allows older persons to remain at home are much lower than the costs of maintaining institutional residential facilities.

44. Relatively small investments in the provision of assistive equipment to improve quality of life and mobility and assistance with daily activities such as bathing, cooking, cleaning and laundry, can help frail older persons to remain independent and can also lessen the burden of overstretched caregivers. However, the ongoing financial and economic crisis has led a number of national and local authorities to curtail spending on social programmes, which has limited the number of older persons eligible for social care and resulted in — in some cases, significantly — increased fees for services.[25]

45. Access to affordable, reliable, safe and physically accessible transportation is a cornerstone of older persons' participation and independence in society. In the absence of concessionary transport fares, the cost of such transportation can be prohibitive for older persons living in poverty. There is evidence of a strong association between a lack of transportation and poverty and social isolation among older persons.[26] Accordingly, many cities offer reduced fares for older persons using public transit and special transportation arrangements for those with limited mobility. The entry into force of the Convention on the Rights of Persons with Disabilities in May 2008 and the subsequent ratification of the Convention by a large number of Member States have played a significant role in placing the issue of accessibility high on the urban public transportation agenda in both the developed and developing world.

46. In many countries, however, rural public transportation ranges from non-existent to scarce and underfunded. The privatized public transportation that exists in some developing countries generally lacks the features that would make it accessible to older persons or persons with disabilities. Other problems include a lack of serviceable and accessible pavements and roads.

B. Home support and long-term care

47. Care and support services and the manner in which they are provided are vital to maintaining the health, quality of life and independence of older persons and their

[24] For example, HelpAge Korea, with support from the Republic of Korea-Association of Southeast Asian Nations (ASEAN) Special Cooperation Fund, developed a home-care programme that was expanded to other ASEAN member States such as Cambodia, Thailand and Viet Nam through partnering non-governmental organizations. Civil society and religious organizations, subsidized by the Government, also provide community-based services for older persons in South Africa's townships.

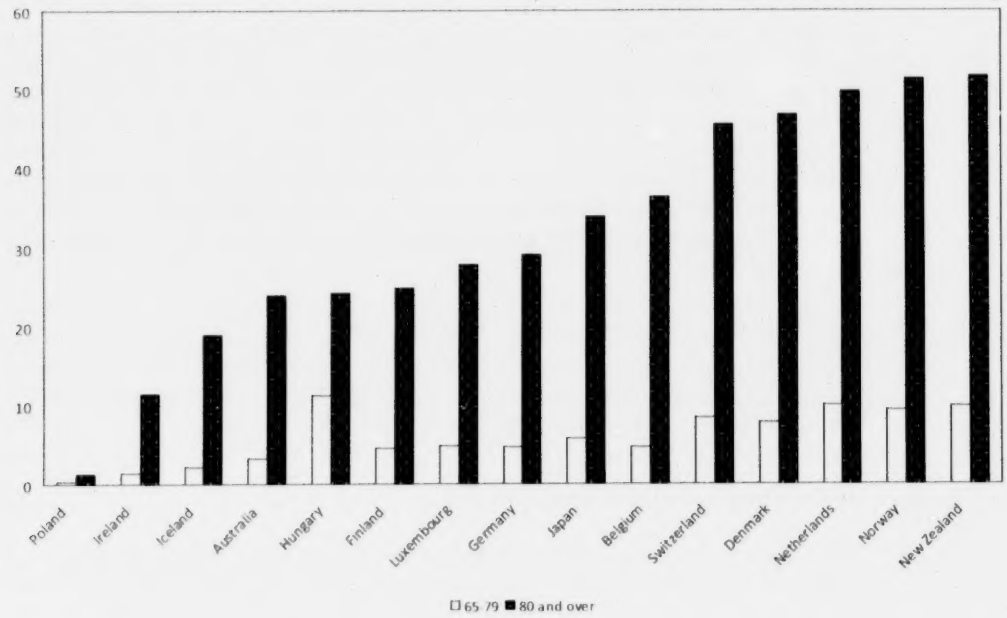
[25] *The Global Social Crisis: Report on the World Social Situation 2011* (United Nations publication, Sales No. E.10.IV.12).

[26] Ann Frye, "Mobility: Rights, Obligations and Equity in an Ageing Society", International Transport Forum discussion paper No. 2011/05 (OECD/ITF Joint Transport Research Centre, 2011) available from http://www.oecd-ilibrary.org/transport/mobility-rights-obligations-and-equity-in-an-ageing-society_5kg9mq4tbtvh-en.

participation in their communities and society. Since the need for long-term care significantly increases with age, persons aged 80 and over — a segment of the global population in which women significantly outnumber men — are the primary recipients of such care (see figure below). The oldest seniors are thus the largest beneficiary group of private residential or institutional long-term care and support services. Long-term care is most often provided informally in the home by family and friends, principally women. In some cases, caregivers are volunteers or, in developed countries, where available to those who can afford it, paid service providers.

48. Many developed countries are pursuing a variety of approaches to the provision of long-term care services for older persons in need. However, in most cases, older persons have to rely on public assistance because they lack sufficient means to afford such services. Some Member States require older persons to utilize savings and assets before they can access government-subsidized or -funded long-term care services.

Proportion of older persons receiving formal long-term care by age around 2006 (selected countries)



Source: OECD, *Society at a Glance 2009: OECD Social Indicators*.

49. Countries with relatively comprehensive long-term care systems include Austria, Germany, Japan, Luxembourg, the Netherlands and the Nordic countries. Germany's long-term care insurance scheme, which became effective in 1995, is a typical example.[27] Under this mandatory insurance system, monthly contributions amount to 1.95 per cent of an employee's gross income in 2012 (up from an original contribution of 1 per cent in 1995) shared equally by employers and employees. Insurance is provided for services expected to be needed for six months or more. Four different areas of daily activity are considered when assessing need: mobility, personal hygiene, meals and housekeeping. In order to receive aid, an individual must require assistance in two or more of these areas. Beneficiaries can select from among three types of services that have different payment systems: (a) cash payments to informal caregivers; (b) formal care services at home (payments made directly to providers); and (c) institutional care services (payments made directly to facilities).

50. In most countries, the adoption of measures to support the provision of long-term care has led to a mushrooming industry of private-sector providers of home-care and ambulatory services. While this has led to an increase in the number of formal caregivers, there remain shortages of qualified caregivers in almost all OECD member countries.[28] New technology is starting to provide remote services to persons in need of care, an emerging field that could grow considerably.

51. A few countries have either begun or are considering providing training and support, including financial compensation and respite care, to individuals who volunteer to become caregivers for their older relatives. Such training and support for family members allows for flexible arrangements, improves access to care and is cost-effective; it should therefore be expanded.

52. Stress related to caregiving in both private residential and institutional settings can lead to various forms of neglect and abuse of older care recipients. Social isolation has been documented as being both a risk factor for, and a consequence of, elder abuse.[29] Preventing and addressing elder abuse is therefore critical to ensuring the social integration of older persons.

53. In 2010, AGE Platform Europe, together with national partners from 10 countries, drafted a charter setting out fundamental principles and rights that should guide the provision of long-term support and assistance to older persons.[30] The charter was accompanied with a guide aimed at informing caregivers, policymakers and older people's organizations that growing older and becoming dependent on others for support does not diminish a person's inherent dignity and fundamental rights.

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[27] Charlene A. Harrington, Max Geraedts and Geoffrey V. Heller, "Germany's long-term care insurance model: lessons for the United States", *Journal of Public Health Policy*, vol. 23, No. 1 (2002).

[28] OECD, *Society at a Glance 2009: OECD Social Indicators* (Paris, OECD Publishing, 2009).

[29] WHO, "Abuse of the elderly", fact sheet (2002). Available from http://www.who.int/violence_injury_prevention/violence/world_report/factsheets/en/elderabusefacts.pdf (accessed 18 June 2012).

[30] AGE Platform Europe, "European Charter of the rights and responsibilities of older people in need of long-term care and assistance" (2010). Available from http://www.age-platform.eu/images/stories/Final_European_Charter.pdf (accessed 18 June 2012).

V. Major challenges to social integration in later life

A. Social isolation

54. In recent years, the proportion of older persons living alone has risen in many parts of the world. In particular, in a growing number of developing countries, the proportion of older persons residing with children has declined. To some extent, these trends reflect the fact that older persons increasingly prefer to live independently for as long as possible. However, living alone is often the consequence of widowhood, a stage of life increasingly occurring at a later age.

55. Against this backdrop, studies continue to identify loneliness and social isolation as being relatively common among older persons in both developed and developing countries, including among those who live with extended family.[31,32] While living alone does not automatically lead to a sense of loneliness or social isolation, it is a risk factor.[33] Research shows that the chief risk factor for social isolation is not age, per se, but rather a combination of personal, social and economic factors that are common to older persons, such as living alone, childlessness, poor health, neighbourhood distress, low income and lack of access to transport and telecommunications. However, the onset of the process that leads to social isolation is often triggered by an event such as the loss of a partner or close friend, developing physical or mental impairment, moving to a new location or experiencing neglect or abuse. [34]

56. Most interventions aimed at combating social isolation take the form of outreach programmes carried out by community-based social services or volunteer organizations. There is remarkably little evidence in the literature of the effectiveness of such interventions. However, there seems to be an emerging understanding of the need for a multi-pronged approach to combat social isolation, which addresses its socioeconomic determinants and fosters age-friendly social and physical environments at the neighbourhood and community levels.

B. Ageism

57. All too often, older persons face employers' negative perceptions of older workers; age limits, penalties and denials of service imposed by insurance service providers and financial institutions; preconceived notions and negative attitudes on the part of medical staff; and rationing of health care.

58. Emerging research also suggests that abuse, neglect and violence against older persons, both at home and in institutions, are much more prevalent than previously

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[31] Jeni Warburton and Chi-Wai Lui, *Social isolation and loneliness in older people: A literature review*, Australasian Centre on Ageing, University of Queensland (Brisbane, 2007).

[32] Antoinette Lombard and Elma Kruger, "Older Persons: the Case of South Africa", *Ageing International*, vol. 34 (2009).

[33] Albert I. Hermalin, "Ageing in Asia: Facing the Crossroads", Comparative Study of the Elderly in Asia Research Reports, No. 00-55 (Ann Arbor, Population Studies Center, University of Michigan Press, August 2000).

[34] Jenny de Jong Gierveld and Betty Havens, "Cross-national comparisons of social isolation and loneliness: introduction and overview", *Canadian Journal on Aging*, vol. 23, No. 2 (2004).

acknowledged. Such cases often remain unreported or unaddressed or are met with indifference or even acceptance.

59. Preliminary findings from the ongoing second review and appraisal of the Madrid International Plan of Action on Ageing, 2002 suggest that ageism is a reality in some form in most societies. Ten years after the adoption of the Plan of Action, prejudicial attitudes and discriminatory practices on the part of individuals and institutions towards older persons continue to undermine their participation in society. Ageism rests on the assumption that neglect of and discrimination against older persons is the norm and acceptable.

60. Seizing the opportunity presented by the European Year for Active Ageing and Solidarity between Generations 2012, Equinet: European Network of Equality Bodies disclosed that allegations of discrimination by older persons accounted for a significant percentage of the case files of many equality bodies.[35] A review of the Network's caseloads in 21 States members of the European Union led to the conclusion that ageist attitudes were not only the source of discrimination experienced by older persons, but also served to justify that discrimination. Another emerging conclusion was that a number of existing institutional and policy practices tended to create a "culture of ageism" that reinforced ageist views and led to the further marginalization and exclusion of older persons.

61. The Network's review revealed that most complaints by older persons concerned issues central to their social integration, namely, recruitment and employment, and access to insurance and banking services. In addition, a significant number of cases involved multiple forms of discrimination based on, for example, age, gender, disability and racial or ethnic origin. The Network identified two main lines of action for the promotion of age equality and the prevention of discrimination on the basis of age: the proactive management of age diversity in the workplace and the provision of age-friendly services. At the European level, Council Directive 2000/78/EC, which provides a general framework for equal treatment and prohibits age discrimination in employment and occupation, can be used to promote the proactive management of age diversity in the workplace. However, no legal protection exists for equality and non-discrimination on the basis of age beyond employment and occupation.

VI. Conclusions and recommendations

62. The degree to which older persons are socially integrated directly affects their dignity and quality of life. While Member States generally recognize the importance of promoting the participation and health of older persons, there is nonetheless an evident lack of coordinated policy in support of the integration and participation of older persons in society. The social integration of older persons will need to be considered and acted upon with greater purpose if Member States are to realize the potential of a largely overlooked and untapped human, social and economic resource, namely, older persons.

[35] Equinet, *Tackling Ageism and Discrimination: An Equinet Perspective in the context of the European Year for Active Ageing and Solidarity between Generations, 2012* (Brussels, Equinet, 2012). Equality bodies were established across the States members of the European Union to promote equality and combat discrimination in the areas covered by the European Union equal treatment directives.

63. Too often, public and policy concerns with regard to ageing are overly focused on the provision of benefits and their economic cost to society, with little or no attention given to how the majority of older persons can and should be enabled to continue to contribute to social and economic development. As has been discussed, these views are often rooted in ageist norms and assumptions that exclude older persons and undermine their independence. In several Member States, the ongoing financial and economic crisis has led to budgetary cutbacks in social spending that clearly pose a further threat to the inclusion and independence of older persons in the short term.

64. The social integration of older persons cannot be achieved unless they are able to express their opinions and make decisions about matters that affect their lives within their families, communities and nations.

Recommendations

65. **The General Assembly may wish to recommend that Member States:**

(a) **Promote and support initiatives to advance a positive public image of older persons and their multiple contributions to their families, communities and societies;**

(b) **Ensure that the principle of age equality is incorporated and upheld in all health policies and programmes and that their implementation is regularly monitored;**

(c) **Adopt and enforce guidelines that establish standards for the provision of long-term support and assistance to older persons;**

(d) **Promote and support initiatives to enhance the participation of older persons in the labour market;**

(e) **Introduce legislation to promote equality and non-discrimination on the basis of age in the provision of insurance and financial services;**

(f) **Involve older persons and their organizations in the formulation, implementation and monitoring of policies and programmes that affect them.**

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Item 83 of the provisional agenda*
Report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

Repertory of Practice of United Nations Organs and *Repertoire of the Practice of the Security Council*

Report of the Secretary-General

Summary

In conformity with General Assembly resolution 66/101, the present report outlines the progress made by the Secretariat since the last report (A/66/201) in updating the *Repertory of Practice of United Nations Organs* and the *Repertoire of the Practice of the Security Council*. The Assembly is invited to take action in the light of the conclusions drawn in paragraphs 14 and 26 of the present report.

* A/67/150.

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I. Introduction

1. The present report has been prepared pursuant to General Assembly resolution 66/101. In paragraph 8 of the resolution, the Assembly commended the Secretary-General for the progress made in the preparation of studies of the *Repertory of Practice of United Nations Organs*, including the increased use of the internship programme of the United Nations and further expanded cooperation with academic institutions for this purpose, as well as the progress made towards updating the *Repertoire of the Practice of the Security Council*. In paragraph 9, the Assembly noted with appreciation the contributions made by Member States to the trust fund for the updating of the *Repertoire*, as well as to the trust fund for the elimination of the backlog in the *Repertory*; and, in paragraph 10, the Assembly reiterated its call for voluntary contributions to those trust funds and the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the updating of the two publications. In paragraph 11, the Assembly called upon the Secretary-General to continue his efforts towards updating the *Repertory* and the *Repertoire* and making them available electronically in all their respective language versions and to continue to address, in particular, the backlog in the preparation of volume III of the *Repertory*. In paragraph 12, the Assembly reiterated the responsibility of the Secretary-General for the quality of the two publications and, with regard to the *Repertoire*, called upon the Secretary-General to continue to follow the modalities outlined in paragraphs 102 to 106 of his report of 18 September 1952 (A/2170). Finally, in paragraph 13, the Assembly requested the Secretary-General to submit a report on both the *Repertory* and the *Repertoire* to the Assembly at its sixty-seventh session.

II. *Repertory of Practice of United Nations Organs*

A. Preparation of supplements to the *Repertory of Practice of United Nations Organs*

2. Since the last report (A/66/201), and with respect to volumes that were in backlog, the Secretariat has submitted volume II of Supplement No. 9 and volume VI of Supplements Nos. 8 and 9 for translation and publication.

3. Bearing in mind the call made upon the Secretary-General, in paragraph 11 of General Assembly resolution 66/101, to continue to address, in particular, the backlog concerning volume III of the *Repertory*, the Security Council Affairs Division of the Department of Political Affairs prepared studies on Articles 24, 26, 28, 30, 34, 35 (relating to the practice of the Security Council), 36, 37, 38 and 39 of the Charter of the United Nations and thereby submitted all outstanding studies for the period 1985 to 1999. A single study for each of the aforementioned provisions of the Charter addresses the entire period that is covered by the three Supplements. Those studies have been placed on the *Repertory* website (www.un.org/law/repertory). As in the case of studies prepared earlier for volume III of Supplements Nos. 7 to 9, each of the studies contains a short introduction and provides a link to the relevant study of the *Repertoire of the Practice of the Security Council* where the reader can find more detailed information on the subject matter. Furthermore, at a meeting on 26 June 2012 of the Codification Division of the Office of Legal Affairs, acting as coordinator for the preparation of the *Repertory*, and the Department of

Peacekeeping Operations concerning the drafting of the studies on Articles 40 to 54 for volume III of Supplements Nos. 7 to 10 of the *Repertory*, the parties agreed that the Codification Division will reach out to partnering academic institutions potentially willing to prepare draft studies on the Articles in question. Once the drafts are completed, the Codification Division will submit them for review, as appropriate.

4. Significant progress has also been achieved in the preparation of studies for Supplement No. 10 (2000-2009). During the reporting period, the following additional studies have been prepared, some of them with the assistance of interns or consultants or in collaboration with academic institutions:

(a) Studies on Articles 3, 5, 6 and 8 for volume I;

(b) Studies on Articles 13 (1) (a), first phrase; 13 (1) (a) second phrase; 13 (1) (b) and (2); 14; and 17 (1) and (3) for volume II;

(c) Studies on Articles 92 to 95, 98 (political and security matters), 103 and 106 to 111 for volume VI.

A study on Article 55 (c) for volume IV and three studies on Articles 97, 99 and 100, for volume VI, are also being finalized. Moreover, work has begun on a study on Article 73 for volume V, a study on the remaining aspects of Article 98 for volume VI and a study on Article 101, also for volume VI. Furthermore, since all the studies pertaining to volume I of Supplement No. 10 have now been completed, the Secretariat has submitted the volume for translation and publication.

5. The Department of Public Information and the Dag Hammarskjöld Library played an important role in supporting the research on the *Repertory*.

6. The current status of the publication is as follows: 28 volumes have been published[1] and 14 volumes have been finalized and submitted for translation and publication.[2] Consequently, from among the 50 volumes of which the publication as a whole (original *Repertory* and supplements thereto) should consist, work remains to be completed on eight volumes; five of those volumes pertain to Supplement No. 10, covering the most recent reviewable period, and are at different stages of preparation (see para. 4 above). The other three volumes on which work remains to be completed correspond to volume III of Supplements Nos. 7, 8 and 9.

7. Annex I to the present report sets out the responsibilities of individual Secretariat units for the preparation of *Repertory* studies on individual Articles of the Charter. Annex II provides information on the status of the *Repertory*.

B. Availability of *Repertory* studies on the Internet

8. Studies from 42 complete volumes, including the 14 volumes in processing for publication, are available on the United Nations website for the *Repertory* (www.un.org/law/repertory). Advance versions of several studies on individual

[1] *Repertory* and Supplements Nos. 1 to 6 (1946-1984), for a total of 26 volumes, and volumes V and VI of Supplement No. 7 (1985-1988).

[2] Volumes I, II and IV of Supplement No. 7 (1985-1988); volumes I, II, IV, V and VI of Supplements Nos. 8 (1989-1994) and 9 (1995-1999); and volume I of Supplement No. 10 (2000-2009).

Articles for volume III of Supplements Nos. 7, 8 and 9, as well as a considerable number of studies for Supplement No. 10 which have been finalized and are awaiting completion of the respective volumes, continued to be accessible on the website. The electronic version of the *Repertory* includes a full-text search feature, providing the users with the opportunity to search all the studies instantaneously for any word or combination of words in the three languages of the publication, namely English, French and Spanish.

9. Currently, all studies available in English are on the Internet, and most of them are also available on the Internet in French and Spanish. Finalized studies awaiting publication are placed on the Internet in the language in which they have been prepared (English for most of them, and French for some of them). The Secretariat will continue to make available electronically all three language versions of the finalized *Repertory* studies.

C. Cooperation with academic institutions

10. The well-established cooperation with Columbia University Law School continued for the ninth consecutive year. Four more students contributed to the preparation of three studies relating to volumes II and IV of Supplement No. 10.[3] The cooperation with the University of Ottawa, Faculty of Law, also continued for the second consecutive year and contributed to the completion of six studies pertaining to volume VI of Supplement No. 10.[4] Furthermore, the cooperation with academic institutions has been extended to Fordham University School of Law, leading to the completion of one additional study for volume II of Supplement No. 10,[5] and to Concord Law School, leading to progress in the preparation of a study pertaining to volume V of Supplement No. 10.[6]

D. Trust fund

11. In its resolution 66/101, the General Assembly reiterated its call for voluntary contributions to the trust fund established pursuant to its resolution 59/44, in order to eliminate the backlog in the *Repertory*. Accordingly, a note verbale was sent to all permanent missions to the United Nations, reminding them of the possibility of making voluntary contributions to the trust fund and inviting them to bring the question of funding for the *Repertory* to the attention of private institutions and individuals that might wish to assist in that regard. The Secretary-General welcomes with appreciation the contributions to the trust fund of $5,000 from Chile and €5,000 from Finland.

12. The further use of consultants for the preparation of studies pertaining to volumes that are near completion is envisaged. Additional contributions to the trust fund are strongly encouraged so as to allow the Secretariat to carry out the effective elimination of the backlog in the *Repertory*.

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[3] A study on Article 13 (1) (a), first phrase; a study on Article 13 (1) (b) and (2); and a study on Article 55 (c) of the Charter.

[4] Studies on Articles 92, 93, 94, 95, 98 (political and security matters) and 103 of the Charter.

[5] Study on Article 14 of the Charter.

[6] Study on Article 73 of the Charter.

E. Recommendations of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

13. The Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization considered the question of the *Repertory* and the *Repertoire* at its session held from 21 to 28 February and on 1 March 2012. In its report (A/67/33, para. 71), the Special Committee recommended, inter alia, with regard to the *Repertory*, that the General Assembly commend the Secretary-General for the progress made in the preparation of studies, including the increased use of the internship programme of the United Nations and further expanded cooperation with academic institutions for this purpose; note with appreciation the contributions made by Member States to the trust fund for the elimination of the backlog in the *Repertory*; reiterate its call for voluntary contributions to the trust fund so as to further support the Secretariat in carrying out the effective elimination of that backlog, as well as the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the updating of the publication; call upon the Secretary-General to continue his efforts towards updating the publication and making it available electronically in all its language versions; note with concern that the backlog in the preparation of volume III of the *Repertory* has not been eliminated, and call upon the Secretary-General to address that issue effectively and on a priority basis, while commending the Secretary-General for some progress made in reducing the backlog; and reiterate the responsibility of the Secretary-General for the quality of the *Repertory*.

F. Conclusions

14. **With respect to the *Repertory of Practice of United Nations Organs*, in the light of the foregoing, the General Assembly may wish:**

(a) **To note the current status of the publication, including the progress made in the preparation of *Repertory* studies and in their posting on the Internet in three languages (English, French and Spanish);**

(b) **To consider the recommendations of the Special Committee (see para. 13 above) concerning the increased use of the internship programme of the United Nations and the further expanded cooperation with academic institutions for the preparation of studies; voluntary contributions to the trust fund for the elimination of the backlog in the *Repertory* so as to further support the Secretariat in carrying out the effective elimination of that backlog; the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the updating of the publication; the call upon the Secretary-General to continue his efforts towards updating the publication and making it available electronically in all its language versions, and to continue to address effectively and on a priority basis the elimination of the backlog in volume III of the *Repertory*; and the reiteration of the Secretary-General's responsibility for the quality of the *Repertory*;**

(c) **To express appreciation for the contributions received to the trust fund for the elimination of the backlog in the *Repertory*; to note the progress made towards the elimination of that backlog through the utilization of the trust fund; and to strongly encourage States to make additional contributions to the trust fund.**

III. *Repertoire of the Practice of the Security Council*

A. Mandate and preparation

15. The *Repertoire of the Practice of the Security Council*, originally mandated by the General Assembly in its resolution 686 (VII) of 5 December 1952, continues to provide a record of the evolving practice and procedure of the Security Council in the framework of the Charter of the United Nations and the Council's provisional rules of procedure. Most recently, by its resolution 66/101, the General Assembly called upon the Secretary-General to continue his efforts towards updating the *Repertoire* and making it available electronically in all its respective language versions.

16. Pursuant to the mandate provided by the General Assembly, the Secretariat has continued to make progress in the preparation of supplements to the *Repertoire* since the last report (A/66/201). In line with the "two-track" approach that allows the simultaneous preparation of two or more supplements, in the past year the Secretariat worked on the sixteenth and seventeenth Supplements to the *Repertoire*, covering the years 2008 and 2009 and 2010 and 2011, respectively, within the context of the modalities outlined in paragraphs 102 to 106 of the Secretary-General's report of 18 September 1952 (A/2170).

17. The timely completion of the fifteenth Supplement (2004-2007) in advance version allowed the Secretariat to focus on the contemporary practice of the Security Council from 2008 onwards. The entire sixteenth Supplement (2008-2009) was completed earlier in the year and an advance version was made available electronically on the *Repertoire* website.

18. Work on the seventeenth Supplement (2010-2011) has progressed well and the studies in part I have already been posted in their advance version. Further progress on this Supplement will however depend on the staffing situation in the Security Council Practices and Charter Research Branch of the Security Council Affairs Division and the continuing availability of resources, which is considered further in paragraph 25 below.

19. Within the limits of available resources, the Secretariat has continued to produce the *Repertoire* expeditiously, consistent with accuracy and balance, by employing several efficiency-enhancing initiatives, such as the specialized training of staff; the further enhancement of databases to record and retrieve the mounting body of past and current practices and procedures of the Security Council and to generate tables and text; and the updating of internal guidelines and templates to capture staff knowledge and ensure consistency in the preparation of the *Repertoire*.

20. The preparation of supplements to the *Repertoire* has not been without its challenges. Although the Secretariat has managed to sustain progress towards updating the *Repertoire* and providing Member States with information on current Council practice, it has continued to face challenges in terms of editing, translating, indexing and publishing those supplements. Different offices in the Secretariat are working together to address existing resource constraints and delays in publishing the supplements.

B. Availability of *Repertoire* studies on the Internet

21. To allow access to information as quickly as possible, the Secretariat has posted on its website finalized chapters of the *Repertoire* in an advance version (see annex III to the present report). In addition to the published Supplements, all chapters of the fourteenth to sixteenth Supplements (2000-2009), which have yet to be published, have been posted in an advance version.

22. The English-language *Repertoire* website, which was overhauled to enhance search capabilities and provide a user-friendly interface by allowing quicker access to the wealth of information on the practices of the Security Council contained in the *Repertoire*, will be available in the other official languages in the near future.

23. In addition to the preparation of the *Repertoire*, the Secretariat, upon request, provides information on questions received directly and through the *Repertoire* website relating to both the current and past practice of the Council and its subsidiary organs. During the reporting period it responded, in a timely and accurate fashion, to communications and requests for information from Member States as well as from officials of the United Nations system and staff of other international organizations, non-governmental organizations, students, academic scholars and researchers and the private sector.

C. Publication in language versions (print and electronic)

24. In compliance with General Assembly resolution 55/222, in which the Assembly requested the Secretary-General to publish future supplements to the *Repertoire* in all six official languages, the tenth and eleventh Supplements were the first supplements to be published in all official languages. The twelfth (1993-1995) and thirteenth (1996-1999) Supplements will soon be available in all official languages. The fourteenth (2000-2003) Supplement has been submitted for translation into all official languages and subsequent supplements will be submitted as soon as they are edited. The Secretariat continues to make every effort to post the latest supplements of the *Repertoire* in the six official languages as soon as they are available.

D. Resources

25. The preparation and publication of the *Repertoire*, as well as the maintenance of its website in all official languages, would not have been possible without the continuing support of the General Assembly. At the same time, in an environment of financial constraint, voluntary contributions to the trust fund for the updating of the *Repertoire* remain an important element for sustaining progress on the *Repertoire* and maintaining the *Repertoire* website. The infusion of extrabudgetary resources has enabled the Secretariat to retain the services of temporary staff assisting in the preparation of the *Repertoire* and to work simultaneously on several volumes of the publication. Since the last report (A/66/201), contributions to the trust fund have been received from China, Ireland, Mexico and Turkey. As this goal remains to be met fully, the Secretary-General invites Member States to continue to support the Secretariat's work on advancing the *Repertoire* through their voluntary contributions to the trust fund.

E. Conclusions

26. With respect to the *Repertoire of the Practice of the Security Council*, in the light of the foregoing and the recommendations made by the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization at its session held from 21 to 28 February and on 1 March 2012, the General Assembly may wish:

(a) To note the progress made towards the updating of the *Repertoire*, including through the utilization of the trust fund for the updating of the *Repertoire*;

(b) To express appreciation for the contributions to the trust fund and reiterate its call for voluntary contributions to that trust fund;

(c) To take note of the ongoing enhancement of the *Repertoire* website and efficiency measures to expedite the simultaneous preparation of Supplements to the *Repertoire*;

(d) To note the continual posting of the *Repertoire* in electronic form in all language versions on the United Nations website;

(e) To encourage Member States to sponsor, on a voluntary basis and with no cost to the Organization, an associate expert to assist in the preparation of the *Repertoire*.

Annex I

Secretariat units bearing primary responsibility for the preparation of *Repertory* studies on individual Articles of the Charter of the United Nations[a]

Department	*Repertory volume*
Office of Legal Affairs	Volume I: Articles 1 to 7
	Volume II: Articles 13 (1) (a), 18, 19 and 22
	Volume VI: Articles 92 to 99, 102 to 105 and 108 to 111
Department of Political Affairs	Volume II: Articles 10, 12, 13 (1) (a), 14 and 16
	Volume III: Articles 23 to 39 and 107
	Volume V: Articles 73 to 85, 87 and 88
Department of Peacekeeping Operations	Volume III: Articles 40 to 54 and 106
Office for Disarmament Affairs	Volume II: Article 11
Department for General Assembly and Conference Management	Volume II: Articles 9, 15, 20 and 21
	Volume IV: Articles 60, 61, 62 (3) and (4), 65 to 69 and 72
	Volume V: Articles 86 and 89 to 91
Department of Management	Volume II: Article 17
	Volume VI: Articles 100 (1) and 101
Department of Management with Office of Legal Affairs	Volume VI: Article 100 (2)
Department of Economic and Social Affairs	Volume II: Articles 8[b] and 13 (1) (b) and (2)
	Volume IV: Articles 55 (a) and (b), 57 to 59, 62 (1), 63, 64, 70 and 71
Office of the United Nations High Commissioner for Human Rights	Volume II: Article 13 (1) (b)
	Volume IV: Articles 55 (c), 56 and 62 (2)
Office for Outer Space Affairs	Volume II: Article 13 (1) (a)

[a] This distribution is the result of several decisions of the Interdepartmental Committee on Charter Repertory taken at various times since 1996 and is subject to review by the Committee.

[b] The Department of Management (Office of Human Resources Management) is responsible for the preparation of Article 8 for the period up to and including 1996. For the period from 1997 onward, that responsibility falls to the Department of Economic and Social Affairs.

Annex II

Status of the *Repertory of Practice of United Nations Organs* (July 2012)

Volumes published and on the Internet	Volumes submitted for publication and on the Internet	Studies on the Internet (pertaining to volumes not submitted for publication)	Studies in preparation or in review

Note: The organization of studies in volumes, as indicated below, relates to Supplements Nos. 6 to 10, and varies for the original *Repertory* and Supplements Nos. 1 to 5.

Volumes, Articles	*Original Repertory*	*Supplements*									
		1	*2*	*3*	*4*	*5*	*6 1979-1984*	*7 1985-1988*	*8 1989-1994*	*9 1995-1999*	*10 2000-2009*
Volume I							**I**	**I**	**I**	**I**	**I**
Articles 1-8											
Volume II							**II**	**II**	**II**	**II**	**II**
Articles 9-15, 17 (1) and (3) and 20-22											
Articles 17 (2) and 19											
Articles 16 and 18											
Volume III							**III**	**III**	**III**	**III**	**III**
Articles 23 (1, first phase) and (3), 24-33 (2), 34-35 (Security Council) and 36-39											
Articles 23 (1, second phase) and (2) and 33 (1)											
Articles 35 (General Assembly) and 40-54											
Volume IV							**IV**	**IV**	**IV**	**IV**	**IV**
Articles 55 (a)-(b), 57 and 62 (2)											
Articles 55 (c), 56 and 63											
Articles 58-62 (1, 3, 4) and 64-72											
Volume V							**V**	**V**	**V**	**V**	**V**
Articles 86 and 89-91											
Article 73											
Articles 74-85, 87 and 88											
Volume VI							**VI**	**VI**	**VI**	**VI**	**VI**
Articles 92-96, 98 (treaties; political and security matters), 102, 103, 106 and 107											

Volumes, Articles	*Original Repertory*	*Supplements*									
		1	*2*	*3*	*4*	*5*	*6 1979-1984*	*7 1985-1988*	*8 1989-1994*	*9 1995-1999*	*10 2000-2009*
Articles 97, 98 (remaining parts), 99, 100, 101 and 108-111											
Articles 104 and 105											

Studies prepared from 1954 to 1980

Studies prepared from 1996 to 2012

Annex III

Status of the *Repertoire of the Practice of the Security Council* (July 2012)

Supplements published and posted on the Internet at www.un.org/en/sc/repertoire	Advance version available on the Internet	Parts in preparation	Preliminary research

A. Status of the completed *Repertoire* Supplements

Supplement	*Status*	*Languages*
Original *Repertoire* and Supplements I-IX (1946-1984)		English, French
Supplements X (1985-1988) and XI (1989-1992)		Arabic, Chinese, English, French, Russian, Spanish[a]
Supplement XII (1993-1995)		English, translation into other languages in progress
Supplement XIII (1996-1999)		English, translation into other languages in progress
Supplement XIV (2000-2003)		English, translation into other languages in progress
Supplement XV (2004-2007)		English

B. Status of *Repertoire* Supplements in preparation

	Parts (procedural and constitutional)									
	I Overview	*II Provisional rules of procedure*	*III Purposes and principles of the Charter*	*IV Relations with other United Nations organs*	*V Functions and powers of the Security Council*	*VI Pacific settlement of disputes*	*VII Actions with respect to breaches of the peace*	*VIII Regional arrangements*	*IX Subsidiary organs: Committees other bodies*	*X Subsidiary organs: peacekeeping and peacebuilding*
Supplement XVI (2008-2009)										
Supplement XVII (2010-2011)										

[a] As mandated by the General Assembly in resolution 55/222, these Supplements and future Supplements to the *Repertoire* are to be published in all official languages of the United Nations.

United Nations A/67/189*

General Assembly

Distr.: General
26 July 2012

Original: English

Sixty-seventh session
Item 83 of the provisional agenda**
Report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

Repertory of Practice of United Nations Organs and *Repertoire of the Practice of the Security Council*

Report of the Secretary-General

Summary

In conformity with General Assembly resolution 66/101, the present report outlines the progress made by the Secretariat since the last report (A/66/201) in updating the *Repertory of Practice of United Nations Organs* and the *Repertoire of the Practice of the Security Council*. The Assembly is invited to take action in the light of the conclusions drawn in paragraphs 14 and 26 of the present report.

* Reissued for technical reasons on 4 September 2012.
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I. Introduction

1. The present report has been prepared pursuant to General Assembly resolution 66/101. In paragraph 8 of the resolution, the Assembly commended the Secretary-General for the progress made in the preparation of studies of the *Repertory of Practice of United Nations Organs*, including the increased use of the internship programme of the United Nations and further expanded cooperation with academic institutions for this purpose, as well as the progress made towards updating the *Repertoire of the Practice of the Security Council*. In paragraph 9, the Assembly noted with appreciation the contributions made by Member States to the trust fund for the updating of the *Repertoire*, as well as to the trust fund for the elimination of the backlog in the *Repertory*; and, in paragraph 10, the Assembly reiterated its call for voluntary contributions to those trust funds and the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the updating of the two publications. In paragraph 11, the Assembly called upon the Secretary-General to continue his efforts towards updating the *Repertory* and the *Repertoire* and making them available electronically in all their respective language versions and to continue to address, in particular, the backlog in the preparation of volume III of the *Repertory*. In paragraph 12, the Assembly reiterated the responsibility of the Secretary-General for the quality of the two publications and, with regard to the *Repertoire*, called upon the Secretary-General to continue to follow the modalities outlined in paragraphs 102 to 106 of his report of 18 September 1952 (A/2170). Finally, in paragraph 13, the Assembly requested the Secretary-General to submit a report on both the *Repertory* and the *Repertoire* to the Assembly at its sixty-seventh session.

II. *Repertory of Practice of United Nations Organs*

A. Preparation of supplements to the *Repertory of Practice of United Nations Organs*

2. Since the last report (A/66/201), and with respect to volumes that were in backlog, the Secretariat has submitted volume II of Supplement No. 9 and volume VI of Supplements Nos. 8 and 9 for translation and publication.

3. Bearing in mind the call made upon the Secretary-General, in paragraph 11 of General Assembly resolution 66/101, to continue to address, in particular, the backlog concerning volume III of the *Repertory*, the Security Council Affairs Division of the Department of Political Affairs prepared studies on Articles 24, 26, 28, 30, 34, 35 (relating to the practice of the Security Council), 36, 37, 38 and 39 of the Charter of the United Nations and thereby submitted all outstanding studies for the period 1985 to 1999. A single study for each of the aforementioned provisions of the Charter addresses the entire period that is covered by the three Supplements. Those studies have been placed on the *Repertory* website (www.un.org/law/repertory). As in the case of studies prepared earlier for volume III of Supplements Nos. 7 to 9, each of the studies contains a short introduction and provides a link to the relevant study of the *Repertoire of the Practice of the Security Council* where the reader can find more detailed information on the subject matter. Furthermore, at a meeting on 26 June 2012 of the Codification Division of the Office of Legal Affairs, acting as coordinator for the preparation of the *Repertory*, and the Department of

Peacekeeping Operations concerning the drafting of the studies on Articles 40 to 54 for volume III of Supplements Nos. 7 to 10 of the *Repertory*, the parties agreed that the Codification Division will reach out to partnering academic institutions potentially willing to prepare draft studies on the Articles in question. Once the drafts are completed, the Codification Division will submit them for review, as appropriate.

4. Significant progress has also been achieved in the preparation of studies for Supplement No. 10 (2000-2009). During the reporting period, the following additional studies have been prepared, some of them with the assistance of interns or consultants or in collaboration with academic institutions:

(a) Studies on Articles 3, 5, 6 and 8 for volume I;

(b) Studies on Articles 13 (1) (a), first phrase; 13 (1) (a) second phrase; 13 (1) (b) and (2); 14; and 17 (1) and (3) for volume II;

(c) Studies on Articles 92 to 95, 98 (political and security matters), 103 and 106 to 111 for volume VI.

A study on Article 55 (c) for volume IV and three studies on Articles 97, 99 and 100, for volume VI, are also being finalized. Moreover, work has begun on a study on Article 73 for volume V, a study on the remaining aspects of Article 98 for volume VI and a study on Article 101, also for volume VI. Furthermore, since all the studies pertaining to volume I of Supplement No. 10 have now been completed, the Secretariat has submitted the volume for translation and publication.

5. The Department of Public Information and the Dag Hammarskjöld Library played an important role in supporting the research on the *Repertory*.

6. The current status of the publication is as follows: 28 volumes have been published[1] and 14 volumes have been finalized and submitted for translation and publication.[2] Consequently, from among the 50 volumes of which the publication as a whole (original *Repertory* and supplements thereto) should consist, work remains to be completed on eight volumes; five of those volumes pertain to Supplement No. 10, covering the most recent reviewable period, and are at different stages of preparation (see para. 4 above). The other three volumes on which work remains to be completed correspond to volume III of Supplements Nos. 7, 8 and 9.

7. Annex I to the present report sets out the responsibilities of individual Secretariat units for the preparation of *Repertory* studies on individual Articles of the Charter. Annex II provides information on the status of the *Repertory*.

B. Availability of *Repertory* studies on the Internet

8. Studies from 42 complete volumes, including the 14 volumes in processing for publication, are available on the United Nations website for the *Repertory* (www.un.org/law/repertory). Advance versions of several studies on individual

[1] *Repertory* and Supplements Nos. 1 to 6 (1946-1984), for a total of 26 volumes, and volumes V and VI of Supplement No. 7 (1985-1988).

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Articles for volume III of Supplements Nos. 7, 8 and 9, as well as a considerable number of studies for Supplement No. 10 which have been finalized and are awaiting completion of the respective volumes, continued to be accessible on the website. The electronic version of the *Repertory* includes a full-text search feature, providing the users with the opportunity to search all the studies instantaneously for any word or combination of words in the three languages of the publication, namely English, French and Spanish.

9. Currently, all studies available in English are on the Internet, and most of them are also available on the Internet in French and Spanish. Finalized studies awaiting publication are placed on the Internet in the language in which they have been prepared (English for most of them, and French for some of them). The Secretariat will continue to make available electronically all three language versions of the finalized *Repertory* studies.

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10. The well-established cooperation with Columbia University Law School continued for the ninth consecutive year. Four more students contributed to the preparation of three studies relating to volumes II and IV of Supplement No. 10.[3] The cooperation with the University of Ottawa, Faculty of Law, also continued for the second consecutive year and contributed to the completion of six studies pertaining to volume VI of Supplement No. 10.[4] Furthermore, the cooperation with academic institutions has been extended to Fordham University School of Law, leading to the completion of one additional study for volume II of Supplement No. 10,[5] and to Concord Law School, leading to progress in the preparation of a study pertaining to volume V of Supplement No. 10.[6]

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11. In its resolution 66/101, the General Assembly reiterated its call for voluntary contributions to the trust fund established pursuant to its resolution 59/44, in order to eliminate the backlog in the *Repertory*. Accordingly, a note verbale was sent to all permanent missions to the United Nations, reminding them of the possibility of making voluntary contributions to the trust fund and inviting them to bring the question of funding for the *Repertory* to the attention of private institutions and individuals that might wish to assist in that regard. The Secretary-General welcomes with appreciation the contributions to the trust fund of $5,000 from Chile and €5,000 from Finland.

12. The further use of consultants for the preparation of studies pertaining to volumes that are near completion is envisaged. Additional contributions to the trust fund are strongly encouraged so as to allow the Secretariat to carry out the effective elimination of the backlog in the *Repertory*.

[3] A study on Article 13 (1) (a), first phrase; a study on Article 13 (1) (b) and (2); and a study on Article 55 (c) of the Charter.

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13. The Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization considered the question of the *Repertory* and the *Repertoire* at its session held from 21 to 28 February and on 1 March 2012. In its report (A/67/33, para. 71), the Special Committee recommended, inter alia, with regard to the *Repertory*, that the General Assembly commend the Secretary-General for the progress made in the preparation of studies, including the increased use of the internship programme of the United Nations and further expanded cooperation with academic institutions for this purpose; note with appreciation the contributions made by Member States to the trust fund for the elimination of the backlog in the *Repertory*; reiterate its call for voluntary contributions to the trust fund so as to further support the Secretariat in carrying out the effective elimination of that backlog, as well as the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the updating of the publication; call upon the Secretary-General to continue his efforts towards updating the publication and making it available electronically in all its language versions; note with concern that the backlog in the preparation of volume III of the *Repertory* has not been eliminated, and call upon the Secretary-General to address that issue effectively and on a priority basis, while commending the Secretary-General for some progress made in reducing the backlog; and reiterate the responsibility of the Secretary-General for the quality of the *Repertory*.

F. Conclusions

14. **With respect to the *Repertory of Practice of United Nations Organs*, in the light of the foregoing, the General Assembly may wish:**

(a) **To note the current status of the publication, including the progress made in the preparation of *Repertory* studies and in their posting on the Internet in three languages (English, French and Spanish);**

(b) **To consider the recommendations of the Special Committee (see para. 13 above) concerning the increased use of the internship programme of the United Nations and the further expanded cooperation with academic institutions for the preparation of studies; voluntary contributions to the trust fund for the elimination of the backlog in the *Repertory* so as to further support the Secretariat in carrying out the effective elimination of that backlog; the sponsoring, on a voluntary basis, and with no cost to the United Nations, of associate experts to assist in the updating of the publication; the call upon the Secretary-General to continue his efforts towards updating the publication and making it available electronically in all its language versions, and to continue to address effectively and on a priority basis the elimination of the backlog in volume III of the *Repertory*; and the reiteration of the Secretary-General's responsibility for the quality of the *Repertory*;**

(c) **To express appreciation for the contributions received to the trust fund for the elimination of the backlog in the *Repertory*; to note the progress made towards the elimination of that backlog through the utilization of the trust fund; and to strongly encourage States to make additional contributions to the trust fund.**

III. *Repertoire of the Practice of the Security Council*

A. Mandate and preparation

15. The *Repertoire of the Practice of the Security Council*, originally mandated by the General Assembly in its resolution 686 (VII) of 5 December 1952, continues to provide a record of the evolving practice and procedure of the Security Council in the framework of the Charter of the United Nations and the Council's provisional rules of procedure. Most recently, by its resolution 66/101, the General Assembly called upon the Secretary-General to continue his efforts towards updating the *Repertoire* and making it available electronically in all its respective language versions.

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17. The timely completion of the fifteenth Supplement (2004-2007) in advance version allowed the Secretariat to focus on the contemporary practice of the Security Council from 2008 onwards. The entire sixteenth Supplement (2008-2009) was completed earlier in the year and an advance version was made available electronically on the *Repertoire* website.

18. Work on the seventeenth Supplement (2010-2011) has progressed well and the studies in part I have already been posted in their advance version. Further progress on this Supplement will however depend on the staffing situation in the Security Council Practices and Charter Research Branch of the Security Council Affairs Division and the continuing availability of resources, which is considered further in paragraph 25 below.

19. Within the limits of available resources, the Secretariat has continued to produce the *Repertoire* expeditiously, consistent with accuracy and balance, by employing several efficiency-enhancing initiatives, such as the specialized training of staff; the further enhancement of databases to record and retrieve the mounting body of past and current practices and procedures of the Security Council and to generate tables and text; and the updating of internal guidelines and templates to capture staff knowledge and ensure consistency in the preparation of the *Repertoire*.

20. The preparation of supplements to the *Repertoire* has not been without its challenges. Although the Secretariat has managed to sustain progress towards updating the *Repertoire* and providing Member States with information on current Council practice, it has continued to face challenges in terms of editing, translating, indexing and publishing those supplements. Different offices in the Secretariat are working together to address existing resource constraints and delays in publishing the supplements.

B. Availability of *Repertoire* studies on the Internet

21. To allow access to information as quickly as possible, the Secretariat has posted on its website finalized chapters of the *Repertoire* in an advance version (see annex III to the present report). In addition to the published Supplements, all chapters of the fourteenth to sixteenth Supplements (2000-2009), which have yet to be published, have been posted in an advance version.

22. The English-language *Repertoire* website, which was overhauled to enhance search capabilities and provide a user-friendly interface by allowing quicker access to the wealth of information on the practices of the Security Council contained in the *Repertoire*, will be available in the other official languages in the near future.

23. In addition to the preparation of the *Repertoire*, the Secretariat, upon request, provides information on questions received directly and through the *Repertoire* website relating to both the current and past practice of the Council and its subsidiary organs. During the reporting period it responded, in a timely and accurate fashion, to communications and requests for information from Member States as well as from officials of the United Nations system and staff of other international organizations, non-governmental organizations, students, academic scholars and researchers and the private sector.

C. Publication in language versions (print and electronic)

24. In compliance with General Assembly resolution 55/222, in which the Assembly requested the Secretary-General to publish future supplements to the *Repertoire* in all six official languages, the tenth and eleventh Supplements were the first supplements to be published in all official languages. The twelfth (1993-1995) and thirteenth (1996-1999) Supplements will soon be available in all official languages. The fourteenth (2000-2003) Supplement has been submitted for translation into all official languages and subsequent supplements will be submitted as soon as they are edited. The Secretariat continues to make every effort to post the latest supplements of the *Repertoire* in the six official languages as soon as they are available.

D. Resources

25. The preparation and publication of the *Repertoire*, as well as the maintenance of its website in all official languages, would not have been possible without the continuing support of the General Assembly. At the same time, in an environment of financial constraint, voluntary contributions to the trust fund for the updating of the *Repertoire* remain an important element for sustaining progress on the *Repertoire* and maintaining the *Repertoire* website. The infusion of extrabudgetary resources has enabled the Secretariat to retain the services of temporary staff assisting in the preparation of the *Repertoire* and to work simultaneously on several volumes of the publication. Since the last report (A/66/201), contributions to the trust fund have been received from China, Ireland, Mexico and Turkey. As this goal remains to be met fully, the Secretary-General invites Member States to continue to support the Secretariat's work on advancing the *Repertoire* through their voluntary contributions to the trust fund.

E. Conclusions

26. **With respect to the *Repertoire of the Practice of the Security Council*, in the light of the foregoing and the recommendations made by the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization at its session held from 21 to 28 February and on 1 March 2012, the General Assembly may wish:**

(a) **To note the progress made towards the updating of the *Repertoire*, including through the utilization of the trust fund for the updating of the *Repertoire*;**

(b) **To express appreciation for the contributions to the trust fund and reiterate its call for voluntary contributions to that trust fund;**

(c) **To take note of the ongoing enhancement of the *Repertoire* website and efficiency measures to expedite the simultaneous preparation of Supplements to the *Repertoire*;**

(d) **To note the continual posting of the *Repertoire* in electronic form in all language versions on the United Nations website;**

(e) **To encourage Member States to sponsor, on a voluntary basis and with no cost to the Organization, an associate expert to assist in the preparation of the *Repertoire*.**

Annex I

Secretariat units bearing primary responsibility for the preparation of *Repertory* studies on individual Articles of the Charter of the United Nations[a]

Department	*Repertory volume*
Office of Legal Affairs	Volume I: Articles 1 to 7
	Volume II: Articles 13 (1) (a), 18, 19 and 22
	Volume VI: Articles 92 to 99, 102 to 105 and 108 to 111
Department of Political Affairs	Volume II: Articles 10, 12, 13 (1) (a), 14 and 16
	Volume III: Articles 23 to 39 and 107
	Volume V: Articles 73 to 85, 87 and 88
Department of Peacekeeping Operations	Volume III: Articles 40 to 54 and 106
Office for Disarmament Affairs	Volume II: Article 11
Department for General Assembly and Conference Management	Volume II: Articles 9, 15, 20 and 21
	Volume IV: Articles 60, 61, 62 (3) and (4), 65 to 69 and 72
	Volume V: Articles 86 and 89 to 91
Department of Management	Volume II: Article 17
	Volume VI: Articles 100 (1) and 101
Department of Management with Office of Legal Affairs	Volume VI: Article 100 (2)
Department of Economic and Social Affairs	Volume II: Articles 8[b] and 13 (1) (b) and (2)
	Volume IV: Articles 55 (a) and (b), 57 to 59, 62 (1), 63, 64, 70 and 71
Office of the United Nations High Commissioner for Human Rights	Volume II: Article 13 (1) (b)
	Volume IV: Articles 55 (c), 56 and 62 (2)
Office for Outer Space Affairs	Volume II: Article 13 (1) (a)

[a] This distribution is the result of several decisions of the Interdepartmental Committee on Charter Repertory taken at various times since 1996 and is subject to review by the Committee.

[b] The Department of Management (Office of Human Resources Management) is responsible for the preparation of Article 8 for the period up to and including 1996. For the period from 1997 onward, that responsibility falls to the Department of Economic and Social Affairs.

Annex II

Status of the *Repertory of Practice of United Nations Organs* (July 2012)

Volumes published and on the Internet	Volumes submitted for publication and on the Internet	Studies on the Internet (pertaining to volumes not submitted for publication)	Studies in preparation or in review

Note: The organization of studies in volumes, as indicated below, relates to Supplements Nos. 6 to 10, and varies for the original *Repertory* and Supplements Nos. 1 to 5.

Volumes, Articles	*Original Repertory*	*Supplements*									
		1	*2*	*3*	*4*	*5*	*6 1979-1984*	*7 1985-1988*	*8 1989-1994*	*9 1995-1999*	*10 2000-2009*
Volume I							**I**	**I**	**I**	**I**	**I**
Articles 1-8											
Volume II							**II**	**II**	**II**	**II**	**II**
Articles 9-15, 17 (1) and (3) and 20-22											
Articles 17 (2) and 19											
Articles 16 and 18											
Volume III							**III**	**III**	**III**	**III**	**III**
Articles 23 (1, first phase) and (3), 24-33 (2), 34-35 (Security Council) and 36-39											
Articles 23 (1, second phase) and (2) and 33 (1)											
Articles 35 (General Assembly) and 40-54											
Volume IV							**IV**	**IV**	**IV**	**IV**	**IV**
Articles 55 (a)-(b), 57 and 62 (2)											
Articles 55 (c), 56 and 63											
Articles 58-62 (1, 3, 4) and 64-72											
Volume V							**V**	**V**	**V**	**V**	**V**
Articles 86 and 89-91											
Article 73											
Articles 74-85, 87 and 88											
Volume VI							**VI**	**VI**	**VI**	**VI**	**VI**
Articles 92-96, 98 (treaties; political and security matters), 102, 103, 106 and 107											

Volumes, Articles	*Original Repertory*	*Supplements*									
		1	*2*	*3*	*4*	*5*	*6 1979-1984*	*7 1985-1988*	*8 1989-1994*	*9 1995-1999*	*10 2000-2009*
Articles 97, 98 (remaining parts), 99, 100, 101 and 108-111											
Articles 104 and 105											

Studies prepared from 1954 to 1980

Studies prepared from 1996 to 2012

Annex III

Status of the *Repertoire of the Practice of the Security Council* (July 2012)

Supplements published and posted on the Internet at www.un.org/en/sc/repertoire	Advance version available on the Internet	Parts in preparation	Preliminary research

A. Status of the completed *Repertoire* Supplements

Supplement	*Status*	*Languages*
Original *Repertoire* and Supplements I-IX (1946-1984)		English, French
Supplements X (1985-1988) and XI (1989-1992)		Arabic, Chinese, English, French, Russian, Spanish[a]
Supplement XII (1993-1995)		English, translation into other languages in progress
Supplement XIII (1996-1999)		English, translation into other languages in progress
Supplement XIV (2000-2003)		English, translation into other languages in progress
Supplement XV (2004-2007)		English

B. Status of *Repertoire* Supplements in preparation

	Parts (procedural and constitutional)									
	I Overview	*II Provisional rules of procedure*	*III Purposes and principles of the Charter*	*IV Relations with other United Nations organs*	*V Functions and powers of the Security Council*	*VI Pacific settlement of disputes*	*VII Actions with respect to breaches of the peace*	*VIII Regional arrangements*	*IX Subsidiary organs: Committees other bodies*	*X Subsidiary organs peacekeeping and peacebuilding*
Supplement XVI (2008-2009)										
Supplement XVII (2010-2011)										

[a] As mandated by the General Assembly in resolution 55/222, these Supplements and future Supplements to the *Repertoire* are to be published in all official languages of the United Nations.

United Nations A/67/190

General Assembly

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Original: English

Sixty-seventh session
Item 83 of the provisional agenda*
Report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

Implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions

Report of the Secretary-General

Summary

The present report is submitted in compliance with paragraph 15 of General Assembly resolution 66/101. It highlights arrangements in the Secretariat related to assistance to third States affected by the application of sanctions; the operational changes that have occurred in the light of the shift in focus in the Security Council and its sanctions committees towards targeted sanctions; and recent developments concerning the activities of the Assembly and the Economic and Social Council in the area of assistance to third States affected by the application of sanctions.

* A/67/150.

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I. Introduction

1. In its resolution 66/101, the General Assembly requested the Secretary-General to submit a report to the Assembly at its sixty-seventh session on the implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions. The present report has been prepared in compliance with that request.

II. Measures for further improvement of the procedures and working methods of the Security Council and its sanctions committees related to assistance to third States affected by the application of sanctions

2. As noted in previous reports of the Secretary-General (A/62/206 and Corr.1, A/63/224, A/64/225, A/65/217 and A/66/213), the Chair of the Security Council Informal Working Group on General Issues of Sanctions transmitted the report of the Working Group (S/2006/997, annex) to the Security Council. Several of the recommendations and best practices set out in that report related to improved sanctions design and monitoring, but the report did not contain any recommendations that explicitly referred to ways to assist third States affected by the unintended impact of sanctions. By its resolution 1732 (2006), the Council decided that the Working Group had fulfilled its mandate as contained in document S/2005/841, took note with interest of the best practices and methods set out in the report of the Working Group and requested its subsidiary bodies to take note of them also.

3. During the period under review, and in keeping with the shift of the Security Council from comprehensive economic sanctions to targeted sanctions, there were no pre-assessment reports or ongoing assessment reports concerning the likely or actual unintended impact of sanctions on third States.

4. In a periodic report delivered to the Council on 10 May 2012, the Chair of the Committee established pursuant to resolution 1970 (2011) concerning Libya stated that the Committee had answered a total of 25 requests for guidance.[1] In several of those requests, the Committee's advice was sought on how to minimize the potential unintended consequences of the assets freeze in third States.

5. In its final report submitted pursuant to resolution 1985 (2011) (S/2012/422, annex), the Panel of Experts established pursuant to resolution 1874 (2009), which monitors sanctions and assists the Committee established pursuant to resolution 1718 (2006) in carrying out its mandate, recommended that the Committee, with the assistance of the Panel, should consider the financial and technical challenges that inspections, seizure and disposal of prohibited items presented to Member States and explore possible solutions.

6. In nearly every case in which the Security Council has decided that States shall freeze the assets owned or controlled by designated individuals and entities, the Council has also adopted exceptions by which States can signal to the relevant sanctions committee their intention to authorize access to frozen funds for a variety

[1] See S/PV.6768.

of basic and extraordinary expenses.[2] Such expenses can include tax payments, insurance premiums and public utility charges; reasonable professional fees and reimbursement of expenses associated with the provision of legal services; and fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds, other financial assets and economic resources.

7. Furthermore, in paragraph 15 of its resolution 1737 (2006), and paragraph 21 of its resolution 1970 (2011), the Security Council decided that the assets freeze imposed under those resolutions would not prevent a designated person or entity from making payment due under a contract entered into prior to the listing of such a person or entity, provided that certain conditions had been met, and after notification by the relevant States to, respectively, the Committee established pursuant to resolution 1737 (2006) and the Committee established pursuant to resolution 1970 (2011) of the intention to make or receive such payments or to authorize, where appropriate, the unfreezing of funds, other financial assets or economic resources for that purpose, 10 working days prior to such authorization.

8. To date, through his 90-day reports to the Security Council, the Chair of the Committee established pursuant to resolution 1737 (2006) has informed the Council of a total of 57 such notifications received.[3] Similarly, in periodic reports to the Council, the Chair of the Committee established pursuant to resolution 1970 (2011) informed the Council of a total of 41 notifications received.[4] Thus the provisions of paragraph 15 of resolution 1737 (2006) and paragraph 21 of resolution 1970 (2011), in addition to the exceptions to the assets freeze for basic and extraordinary expenses,[2] can help to mitigate economic burdens arising from the implementation of Council assets freezes.

III. Recent developments related to the role of the General Assembly and the Economic and Social Council in the area of assistance to third States affected by the application of sanctions

9. In its resolution 59/45, the General Assembly reaffirmed the important roles of the Assembly and the Economic and Social Council in the area of assistance to third States confronted with special economic problems arising from the carrying out of preventive or enforcement measures imposed by the Security Council. Should consultations be requested by those States, the Assembly and the Economic and Social Council will mobilize and monitor, as appropriate, the economic assistance efforts of the international community and the United Nations system on behalf of third States affected by sanctions.

[2] See Security Council resolutions 1452 (2002) (as amended by resolution 1735 (2006)), 1532 (2004), 1572 (2004), 1591 (2005), 1596 (2005), 1636 (2005), 1718 (2006), 1737 (2006), 1844 (2008), 1907 (2009) and 1970 (2011) (as updated by resolution 2009 (2011)).

[3] See S/PV.5702, 5743, 5807, 5853, 5909, 5973, 6142, 6235, 6280, 6384, 6442, 6502, 6563, 6607, 6697, 6737 and 6786. The 90-day report of 9 September 2009, which is also relevant, was not delivered at a public meeting; the text is however available on the Committee's website: www.un.org/sc/committees/1737.

[4] See S/PV.6566, 6622 and 6698.

A. General Assembly

10. The Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization met from 21 to 28 February and on 1 March 2012. The report of the Special Committee contains a summary of the discussions on the question of the implementation of the Charter provisions related to assistance to third States affected by sanctions (A/67/33, chap. II.A).

B. Economic and Social Council

11. At the opening meeting of its substantive session of 2012, on 2 July 2012, the Economic and Social Council approved its programme of work (E/2012/L.5) and decided to include in the agenda of the general segment of the session a sub-item, 13 (i), entitled "Assistance to third States affected by the application of sanctions". No advance documentation was requested. The Council considered the matter on 25 July 2012 but took no action under that sub-item.

IV. Arrangements in the Secretariat related to assistance to third States affected by the application of sanctions

12. In accordance with the relevant resolutions of the General Assembly,[5] the competent units within the Secretariat have maintained their capacity to monitor information pertaining to any special economic problems in third States arising from the application of preventive or enforcement measures imposed by the Security Council, to evaluate any appeals to the Council made by such affected third States under the provisions of Article 50 of the Charter, and to identify solutions to the special economic problems of those States.

13. As noted in previous reports (A/62/206, A/63/224, A/64/225, A/65/217 and A/66/213), the need to explore practical and effective measures of assistance to affected third States has been reduced considerably because the shift from comprehensive to targeted sanctions has led to significant reductions in unintended adverse impacts on non-targeted countries. In fact, no official appeals by third States have been conveyed to the Department of Economic and Social Affairs to monitor or evaluate since June 2003.

14. The shift to targeted sanctions has also implied that changes need be introduced to the methodological approaches used to assess the economic problems of third States caused by this type of sanction. These changes would involve detailed case-by-case assessments of targeted sanctions and the possible adverse economic, social and humanitarian impact in individual countries, both those that were targeted and those that were not. Some technical methods used to review and assess special economic problems of third States affected by sanctions are discussed in detail in the report of the Informal Working Group of the Security Council on General Issues of Sanctions (S/2006/997, annex), the Sanctions Assessment

[5] See resolutions 50/51, 51/208, 52/162, 53/107, 54/107, 55/157, 56/87, 57/25, 58/80, 59/45, 60/23, 61/38, 62/69, 63/127, 64/115, 65/31 and 66/101.

Handbook[6] and the Field Guidelines for Assessing the Humanitarian Implications of Sanctions[7] published by the Inter-Agency Standing Committee.

15. In the absence of Article 50 appeals conveyed to the Department of Economic and Social Affairs since 2003, little progress could be made in developing and applying specific methodologies to make such assessments on a case-by-case basis. The Department will, nonetheless, continue to seek opportunities for collaborative work with other relevant parts of the Secretariat, and with other international organizations and academic institutions, so as to keep abreast of similar and related methodologies assessing the impact of sanctions more in general.

[6] Available from http://ochanet.unocha.org/p/Documents/IASCSanctionsHB2004.pdf.

[7] Available from www.humanitarianinfo.org/iasc/downloaddoc.aspx?docID=4424&type=pdf.

United Nations A/67/191

General Assembly

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English
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Sixty-seventh session

Request for the inclusion of a supplementary item in the agenda of the sixty-seventh session

Observer status for the International Chamber of Commerce in the General Assembly

Letter dated 10 August 2012 from the Permanent Representative of France to the United Nations addressed to the Secretary-General

I have the honour to request, in accordance with rule 14 of the rules of procedure of the General Assembly, the inclusion in the agenda of the sixty-seventh session of a supplementary item entitled "Observer status for the International Chamber of Commerce in the General Assembly".

In accordance with rule 20 of the rules of procedure of the General Assembly, an explanatory memorandum (see annex I) is attached in support of the aforementioned request, as is a draft resolution (see annex II).

I have the honour to request that the present letter and its annexes be circulated as a document of the General Assembly.

(*Signed*) Gérard **Araud**
Permanent Representative of France to the United Nations

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Annex I

[Original: English]

Explanatory memorandum

Historical background

The International Chamber of Commerce was founded in 1919 in the aftermath of the First World War by a group of industrialists, financiers and traders who called themselves "the merchants of peace". The first president of the International Chamber of Commerce, Etienne Clementel, a former French minister of commerce, created the international secretariat in Paris. From the very beginning, the International Chamber of Commerce spoke out on behalf of business in making representations to Governments and intergovernmental organizations. During the 1920s and 1930s, the International Chamber of Commerce took part in most economic conferences convened by the League of Nations, where it had been accredited since 1920. By early 1922, the secretariat of the Economic Section of the League began consulting with the International Chamber of Commerce as the representative of business.

During the aftermath of the Second World War, the International Chamber of Commerce once again recognized the importance and need for an intergovernmental body and fully supported the development of the United Nations. In 1946, a year after the creation of the United Nations, the International Chamber of Commerce was granted general consultative status with the Economic and Social Council.

The conviction that trade is a powerful force for peace dates from the beginning of the International Chamber of Commerce, whose fundamental mission is to promote an open international trade and investment system and foster the economic growth of developed and developing countries alike, particularly with a view to better integrating all countries into the world economy.

Today, the International Chamber of Commerce is a world business organization and representative body that speaks with authority on behalf of enterprises from all sectors in every region of the world. It groups tens of thousands of member companies and associations from over 120 countries.

The three main activities of the International Chamber of Commerce are rules-setting, policy advocacy and arbitration. Because its member companies and associations are engaged in international business, the International Chamber of Commerce has unrivalled authority in making rules that govern the conduct of business across borders. Although such rules are voluntary, they are observed in thousands of transactions every day and have become part of the fabric of international trade and commerce. The International Chamber of Commerce also provides essential services to business, foremost among them the International Chamber of Commerce International Court of Arbitration, the world's leading arbitral institution for business disputes. Another service is the World Chambers Federation, the worldwide network of chambers of commerce of the International Chamber of Commerce, fostering interaction and exchange of chamber best practices worldwide. Through that network, thousands of companies in developing regions have access to a global platform.

Business leaders and experts drawn from the International Chamber of Commerce membership establish the business stance on broad issues of trade and investment policy and on vital global issues. Many of those issues are fundamental to the United Nations development agenda. They include trade and investment policy; trade finance; financial regulation; anti-corruption; intellectual property; technology transfer; information and communications technology; the environment, green growth and access to energy; and commercial law and marketing ethics. Such policy positions are presented at global venues, including the United Nations, the Group of Eight and, most recently, the Group of Twenty.

While the International Chamber of Commerce has been actively involved with the United Nations since its foundation, it has in the past 10 years been increasingly engaged as an active partner in helping the United Nations to achieve its goals as a complement to Government action.

Membership and structure

The International Chamber of Commerce is structured like the United Nations and other intergovernmental organizations. Its World Council is equivalent to the General Assembly of the United Nations and its Paris headquarters provides a permanent international secretariat that supports and offers expertise in the formation and execution of policy to its national committees in over 90 countries.

National committees

The International Chamber of Commerce represents the private sector in 120 countries. In 90 nations (43 from developing countries and 9 from newly industrialized countries), members have established formal International Chamber of Commerce national committees that act as the permanent liaison between the international headquarters and International Chamber of Commerce members in their respective jurisdictions. National committees promote the adoption and implementation of International Chamber of Commerce policies to Government authorities, administrative agencies and other institutions. They strive to promote application of the rules, codes, uniform commercial usages and practices established by the International Chamber of Commerce. In addition to providing services and information responsive to the needs of International Chamber of Commerce members and the business community in their countries, national committees work to mobilize, formulate and advocate business views and inform the International Chamber of Commerce headquarters on important issues and views affecting local business communities. In some 40 countries where there is no national committee, companies and organizations such as chambers of commerce and professional associations have joined as direct members. National committees make sure that the International Chamber of Commerce takes account of their national business concerns in its policy recommendations to Governments and international organizations.

International secretariat

The international secretariat, based in Paris, is the operational arm of the International Chamber of Commerce. It develops and carries out the International Chamber of Commerce work programme, delivering business views to governmental and intergovernmental organizations on issues that directly affect the private sector worldwide. The international secretariat is chaired by the Secretary General, who is elected by the World Council.

World Council

Similar to the General Assembly of the United Nations, the International Chamber of Commerce supreme governing body is the World Council, consisting of representatives of all national committees. The World Council, which convenes every year at the annual general meeting of the International Chamber of Commerce, ensures the implementation of the provisions of the International Chamber of Commerce constitution and charter, and exercises all the prerogatives with which it is vested. The decisions of the World Council are taken by majority of the votes cast by the delegations and proxies. The World Council elects the highest officers of the International Chamber of Commerce, including the Chair and Vice-Chair, each of whom serves a two-year term. The Chair, Vice-Chair and Honorary Chair (the most recent former Chair) provide the organization with high-level business leadership.

Executive Board

Strategic direction for the International Chamber of Commerce is provided by its Executive Board, consisting of 27 high-level business leaders. Members of the Executive Board are elected by the World Council. Meeting four times a year, the Executive Board oversees the establishment of the strategic priorities of the International Chamber of Commerce and the implementation of its policies. In its June 2012 meeting, the International Chamber of Commerce was able to secure representation from Brazil, China, India, the Russian Federation and South Africa.

Relations with United Nations departments, offices, programmes, funds and agencies

In 1946, the International Chamber of Commerce was granted general consultative status with the Economic and Social Council. Over its long history, the International Chamber of Commerce has steadfastly supported the mission and goals of the United Nations. Today, the International Chamber of Commerce maintains a permanent United Nations liaison office in New York to ensure more effective consultation.

As evidence of the strengthening of private sector involvement with the United Nations, the General Assembly has adopted six resolutions since 2000 entitled "Towards global partnerships" which recognize stakeholder contributions, particularly the private sector (resolutions 64/223, 62/211, 60/215, 58/129, 56/76 and 55/215). To help inform the Assembly debate on partnerships, the Secretary-General has submitted his reports on "Enhanced cooperation between the United Nations and relevant partners, in particular the private sector" every two years since 2000, which describe the current and system-wide efforts to advance private sector cooperation in achieving United Nations goals.

Much of the work of the United Nations is relevant to the private sector, including promoting peace and security; providing norms and standards in such diverse areas as trade laws, shipping, aviation, telecommunication, postal services and statistics; and addressing issues of vulnerability, poverty, environmental degradation and social conflict. Moreover, the private sector is increasingly recognized by Member States as a dynamic element in innovation and economic growth. All of this is seen as helping provide a stable and favourable framework for business and development. Throughout its long and enduring relationship, the International Chamber of Commerce, through its national committees and 14 policy commissions, has worked with the United Nations departments, offices, agencies, programmes and funds described below.

Support of the International Chamber of Commerce for the work of the United Nations in the areas of sustainable development, the environment, energy and climate change

Through its Environment and Energy Commission, the International Chamber of Commerce serves as the focal point for business related to the United Nations Framework Convention on Climate Change and at sessions of the Commission on Sustainable Development. As head of the business and industry delegation, the International Chamber of Commerce prepares and coordinates group interventions at intergovernmental meetings and represents the delegation at multi-stakeholder dialogues organized by the United Nations Environment Programme and the Department of Economic and Social Affairs of the Secretariat. In the lead-up to the United Nations Conference on Sustainable Development (Rio+20), the International Chamber of Commerce partnered with the World Business Council for Sustainable Development, and the Global Compact, to convene Business Action for Sustainable Development, the official United Nations coordinator of business and industry, whose role was to ensure that the voice of business was heard at the Conference and during the preparatory process. The ultimate objective of Business Action for Sustainable Development was to strengthen the overall contribution of Rio+20 to sustainable and inclusive markets and to promote joint action between such stakeholders as business, Governments, civil society and consumers towards green growth.

Support of the International Chamber of Commerce for the work of the United Nations in the area of information and communications technology

The International Chamber of Commerce, through its Commission on E-Business, Information Technology and Telecoms, coordinated business input to the United Nations World Summit on the Information Society in 2003, organized by the International Telecommunication Union. In 2006, the International Chamber of Commerce created the Business Action to Support the Information Society initiative to raise awareness among the public, Governments, civil society, intergovernmental organizations and the technical community on how business is contributing to the further development of the information society. The International Chamber of Commerce and members of the initiative actively engage in events of the Internet Governance Forum, open consultations and preparations. They also submit written contributions each year to the Commission on Science and Technology for Development and participate actively in sessions of the Commission as an observer. The International Chamber of Commerce members, Secretaries General, secretariat staff and permanent representative to the United Nations in New York have been part of the United Nations Global Alliance for Information and Communications Technology and Development since its inception, serving in the steering and strategy committees and providing access to the International Chamber of Commerce worldwide network of business experts.

Support of the International Chamber of Commerce for Global Compact

In 1999, the International Chamber of Commerce welcomed the launch by the Secretary-General of the Global Compact in Davos, Switzerland, and pledged to assist in its implementation. Today, the International Chamber of Commerce acts as a collective voice of global business in the Global Compact. Following the adoption of the Global Compact Governance Framework in 2005, the Secretary General of

the International Chamber of Commerce was appointed to the Global Compact Board and regularly participates personally in Board meetings. The International Chamber of Commerce has also strengthened its working relationship with the Global Compact Office in the vital areas of anti-corruption and environment.

Support of the International Chamber of Commerce for the work of the United Nations in the area of financing for development

The International Chamber of Commerce plays an active role in engaging the business sector in the financing for development process. Its Permanent Representative to the United Nations serves as Chair of the Business Sector Steering Committee, which led a delegation of over 200 business leaders to the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha in November 2008. The Steering Committee also organized a major pre-conference event, the Second International Business Forum, whose theme was on private sector resource mobilization for financial stability and development and whose outcome reaffirmed private sector commitments.

Support of the International Chamber of Commerce for the work of the United Nations on least developed countries

The International Chamber of Commerce was actively involved in the Fourth United Nations Conference on the Least Developed Countries, held in Istanbul, Turkey, from 9 to 13 May 2011 and organized by the Office of the United Nations High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. The Permanent Representative of the International Chamber of Commerce to the United Nations was appointed by Under-Secretary-General Cheick Sidi Diarra as a member of the Private Sector Steering Committee and Chair of the Global Business Partnership Forum Subcommittee to lead the organization of over 30 private sector side events throughout the course of the Conference. In total, more than 500 business leaders participated to elevate the role of private sector investment and mobilize business engagement towards development objectives. The International Chamber of Commerce Secretary General, Jean-Guy Carrier, addressed the Conference at its High-level Meeting on Investment and Partnerships. He underscored the potential benefits to least developed countries of increasing trade liberalization among developing countries and, in particular, of supporting access to trade finance. He also co-hosted the ninth session of the Investment Advisory Council with the with Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), Supachai Panitchpakdi. Established in 2001 by UNCTAD and the International Chamber of Commerce, the Council provides Government officials and business executives with a platform for discussing practical ways of attracting and benefiting from foreign direct investment. In the final statement delivered by the private sector, the Council recommended a commitment to growth and opportunity; the support of entrepreneurship and private enterprise; the establishment of a conducive operating environment; the promotion of domestic markets and capital formation; investment in infrastructure, connectivity and workforce development; the encouragement of foreign investment; an increase in international trade; the enhancement of partnerships; and the participation of the international community. Finally, the outcome document of the fourth United Nations Conference on the Least Developed

Countries stressed the significance of the private sector in helping least developed countries to graduate from that category. The International Chamber of Commerce continues to participate in follow-up meetings and activities.

Support of the International Chamber of Commerce for the work of the United Nations in the area of intellectual property

Members of the International Chamber of Commerce's Commission on Intellectual Property have a very close working relationship with the World Intellectual Property Organization (WIPO), attending all of its relevant meetings and providing input through submissions, oral interventions or meetings with Government delegates in Geneva in various WIPO processes. The International Chamber of Commerce is also very active with the Convention on Biological Diversity and is recognized by business as well as by the secretariat of the Convention and Government delegations as the unique coordinator for the business delegation in negotiations of the Convention on access and benefit-sharing for genetic resources.

Support of the International Chamber of Commerce for the work of the United Nations on human rights

The International Chamber of Commerce provides ongoing support to the mandate of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie. Its support has materialized in numerous contributions to convey global business views on the efforts of the Special Representative to map out and define standards of corporate responsibility with regard to human rights. An example of such contributions is the paper prepared by the International Chamber of Commerce with the International Organization of Employers and the Business and Industry Advisory Committee of the Organization for Economic Cooperation and Development on the role of business in weak governance zones. In recent years, the Special Representative and members of his team have been regularly invited to address the International Chamber of Commerce working body on corporate responsibility issues. The International Chamber of Commerce also participates in multi-stakeholder consultations organized by the Office of the United Nations High Commissioner for Human Rights.

General Assembly

The International Chamber of Commerce has consistently attended and participated in high-level events scheduled in conjunction with the opening of the General Assembly. In 2010, the Chair of the International Chamber of Commerce addressed the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, and the International Chamber of Commerce has actively participated in all of the private sector forums.

Conclusion: reasons for seeking observer status for the International Chamber of Commerce

In recent decades, the world has grown increasingly interdependent. National Governments, even rich and powerful ones, are unable to deal single-handedly with pressing global, regional and national challenges, such as climate change, rapid

urbanization and demographic transformation, the environment, food security, financial crises, increasing inequality and access to energy. Resolving such challenges lies with increased multilateral and multi-stakeholder cooperation in intergovernmental forums, such as the United Nations, to complement Government actions, identify synergies and achieve strategic and integrated solutions. The International Chamber of Commerce is encouraged by the role that the United Nations has assumed in providing a platform for the constructive engagement of business in such efforts and in facilitating universal dialogue among stakeholders to mobilize resources, deepen understanding and activate the necessary support measures to confront these complexities, particularly in developing countries. By virtue of its long history of authoritative involvement in international policymaking and its global reach, the International Chamber of Commerce is exceptionally positioned to represent world business at the General Assembly of the United Nations. Extensive consultation of its global membership lends the International Chamber of Commerce special authority and legitimacy to its views at the United Nations. While the main responsibility for crucial undertakings lies with Governments, addressing the aforementioned challenges requires a concerted effort by all actors in society working in partnership to maximize shared goals and benefits. Recent political and economic changes have fostered and intensified the search for collaborative arrangements. The business world is an important player in such new arrangements and is eager to form partnerships with Governments and academic and civil society organizations to leverage resources and benefits.

At the same time, the relationship of Governments with the private sector has become more important as the role of business in generating employment and wealth through trade, investment and finance for development has been increasingly recognized by States Members of the United Nations and other stakeholders. The private sector can bring key resources to the fore — knowledge, expertise, access and reach — that are often critical in order to advance United Nations goals. A robust private sector that delivers economic growth and wealth creation is essential for the achievement of the Millennium Development Goals. In order to capture and encourage the benefits of increased private sector investment, Governments are being encouraged to work more directly with business to identify investment impediments and remedies, to enhance Government capacity to create business-enabling environments and to develop small and medium-sized businesses. The Fourth United Nations Conference on Least Developed Countries adopted the Istanbul Programme of Action in which it stressed the importance of foreign investment and the private sector in lifting millions from poverty:

> A dynamic, broadly based, well functioning and socially responsible private sector is a valuable instrument for increasing investment and trade, employment and innovation, thereby generating economic growth and eradicating poverty and serving as an engine for industrialization and structural transformation. The private sector therefore is a key to sustained, inclusive and equitable economic growth and sustainable development in least developed countries.

Granting permanent observer status to the International Chamber of Commerce in the General Assembly will strengthen the relationship between the United Nations, its Member States and the global business community, and further enhance the existing inclusive models of cooperation.

The request of the International Chamber of Commerce to obtain observer status and represent business views at the General Assembly is part of its historic mission to foster peace and prosperity through world trade. The International Chamber of Commerce was founded to assume that role and did so admirably following two disastrous world wars. The General Assembly is a crucial focal point where the International Chamber of Commerce can mobilize its policymaking expertise from companies and business organizations of all sizes and in all regions of the world. By obtaining observer status at the General Assembly, the International Chamber of Commerce would gain significantly enhanced capacity to represent business views to the international community and to help shape the public discourse on the full range of global challenges. The International Chamber of Commerce is committed to further strengthening the relationship of the United Nations with the international private sector and the facilitation of its existing collaborative efforts towards global economic and social development.

Annex II

Draft resolution

Observer status for the International Chamber of Commerce

The General Assembly,

Wishing to promote cooperation between the United Nations and the International Chamber of Commerce,

1. *Decides* to invite the International Chamber of Commerce to participate in the sessions and the work of the General Assembly in the capacity of observer;

2. *Requests* the Secretary-General to take the necessary action to implement the present resolution.

United Nations A/67/192

General Assembly

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Sixty-seventh session

Request for the inclusion of a supplementary item in the agenda of the sixty-seventh session

Observer status for the European Organization for Nuclear Research in the General Assembly

Letter dated 16 August 2012 from the Permanent Representatives of France and Switzerland to the United Nations addressed to the Secretary-General

Pursuant to rule 14 of the rules of procedure of the General Assembly, we have the honour to request the inclusion, in the agenda of the sixty-seventh session of the General Assembly, of a supplementary item entitled "Observer status for the European Organization for Nuclear Research in the General Assembly".

Pursuant to rule 20 of the rules of procedure of the General Assembly, this request is accompanied by an explanatory memorandum (annex I) and a draft resolution (annex II).

We should be grateful if you would have this letter and its annexes circulated as a document of the General Assembly.

(*Signed*) Gérard **Araud**
Ambassador
Permanent Representative of
France to the United Nations

(*Signed*) Paul **Seger**
Ambassador
Permanent Representative of
Switzerland to the United Nations

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Annex I

Explanatory memorandum

European Organization for Nuclear Research

1. The European Organization for Nuclear Research (CERN), an intergovernmental organization founded in 1954, is located in both Swiss and French territory (with its headquarters in Geneva). The convention that established CERN in 1954 clearly defines its main purposes: "The Organization shall provide for collaboration among European States in nuclear research of a pure scientific and fundamental character ... The Organization shall have no concern with work for military requirements and the results of its experimental and theoretical work shall be published or otherwise made generally available." Today, CERN is a major particle physics research institution; its mission can be described using the following keywords: research, innovation, education and dialogue between different cultures.

- Research: the aim of the institution's scientific programmes is to expand the frontiers of knowledge; the results are public.
- Innovation: to achieve its research objectives, CERN is constantly developing new techniques for its particle accelerators and detectors; the results sometimes have important applications in other fields (e.g. medicine and communications).
- Education: CERN is committed to disseminating as widely and freely as possible the scientific and technical knowledge that it develops.
- Dialogue: CERN welcomes scientists from all over the world, who work together regardless of their nationality or the nationality of their institution of origin. Its impact on society thus exceeds the results of its scientific programmes.

The dissemination of information regarding the mission of CERN and its impact on society is another key component of the communication and awareness-raising policy followed by the institution. Particular effort is made to communicate with the general public, the local and international media, academic circles and decision-makers, in order to foster greater understanding of the importance of science for the progress of society.

2. In its decision 49/426, the General Assembly decided that the granting of observer status in the General Assembly should in the future be confined to States and to those intergovernmental organizations whose activities cover matters of interest to the Assembly. CERN is an intergovernmental organization, since:

- It was established in accordance with an international convention, the Convention for the Establishment of a European Organization for Nuclear Research.
- Its members are States.
- It is financed by those States.

3. When it was founded in 1954, CERN had 12 member States. Although membership was initially limited to European States, the CERN Council decided in June 2010 that all States would be entitled to become members, regardless of their

geographical location. Today, the following 20 States are members of CERN: Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland. In addition, Romania is a candidate for accession; Israel and Serbia are associate members in the pre-stage to membership; Cyprus, Slovenia and Turkey are applicant States; Brazil and Ukraine have submitted applications for associate membership; and the Russian Federation has stated that it is ready to start the process of becoming an associate member. India, Japan, the Russian Federation, the United States of America, Turkey, the European Commission and the United Nations Educational, Scientific and Cultural Organization (UNESCO) have observer status in the Council.

4. The CERN Council is the institution's supreme authority. It is responsible for all important decisions. It supervises CERN's activities in scientific, technical and administrative areas. The Council approves the programmes of activities, adopts budgets and reviews expenditure. Each of the 20 member States is represented on the Council by two official delegates, one of whom represents his/her country's authorities and the other its national scientific interests. Each member State has one vote and most decisions are taken by a simple majority, although in practice the Council seeks to achieve as broad a consensus as possible.

Advantages of granting observer status to the European Organization for Nuclear Research

5. The activities of CERN cover matters of interest to the General Assembly. The actions of the two bodies are complementary, particularly in areas such as the dissemination of scientific knowledge, education, knowledge transfer and capacity-building in developing countries.

6. CERN can contribute to the activities of the United Nations through its knowledge of particle physics and related technologies, and the United Nations system can enable broader and more effective dissemination of the knowledge developed at CERN. Both institutions actively promote dialogue between different cultures and propose specific models for peaceful cooperation on objectives that benefit societies as a whole. In this context, CERN can make a contribution through the models for scientific cooperation that it has developed since it came into existence almost 60 years ago. The universal character and the scope of the United Nations would allow CERN to be active and have an impact in regions other than those where its member States are located. The CERN-UNESCO educational projects under way in African developing countries are an illustration of this.

7. There are already close ties between CERN and the United Nations. The particularly strong relations that exist between CERN and UNESCO date back to 1953, when CERN was founded under the auspices of UNESCO. A cooperation agreement has been in place since 1956, and, in October 2009, at the UNESCO General Conference, the Directors General of CERN and UNESCO decided to reinvigorate and strengthen their relations. Furthermore, with a view to benefiting from the exceptional concentration of international institutions in Geneva, CERN has proposed signing long-term cooperation agreements with some of the large United Nations agencies based there. The aim of these agreements is to identify possible synergies and take appropriate joint initiatives. The reaction has been very

positive and has led to the signing of formal cooperation agreements with the International Telecommunication Union (ITU), the World Meteorological Organization (WMO), the World Health Organization (WHO), the World Intellectual Property Organization (WIPO) and the United Nations Institute for Training and Research (UNITAR). CERN is also currently hosting on its premises the UNITAR Operational Satellite Applications Programme, which benefits from the institution's know-how, particularly in the field of information technology infrastructure. Moreover, when the new Director General of the United Nations Office at Geneva was appointed in 2011, the two organizations decided to set up a partnership for cooperation. A cooperation agreement was signed in November 2011. The main interests of the United Nations Office at Geneva are, on the one hand, to link CERN with the general activities of the United Nations in the field of science and society and, on the other, to make use of the knowledge that CERN has developed in information and communication technologies and infrastructure. CERN, meanwhile, wishes to broaden its access to the United Nations system through the United Nations Office at Geneva, particularly at the political level. The Director General of the United Nations Office at Geneva has, on a number of occasions, emphasized the advantages of a close partnership with CERN.

8. Granting CERN observer status in the General Assembly would be a natural development of the current situation. CERN would gain a better understanding of the global activities of the United Nations in areas linked to science, while its contribution to the common goal of fostering greater understanding of the importance of science for society would have a greater impact. The United Nations would benefit from the direct contribution of CERN as a major research institution and from its more coordinated participation in the United Nations, both centrally and through direct relations with its specialized agencies.

Annex II

Draft resolution

Observer status for the European Organization for Nuclear Research in the General Assembly

The General Assembly,

Wishing to promote cooperation between the United Nations and the European Organization for Nuclear Research,

1. *Decides* to invite the European Organization for Nuclear Research to participate in the sessions and the work of the General Assembly in the capacity of observer;

2. *Requests* the Secretary-General to take the necessary action to implement the present resolution.